Daily Report

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Russia: Zavgayev: Special Operations in Line With Peace Plan

LD1104132996 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] Moscow, April 11 (Interfax) — Leader of the Moscow-backed Chechen government Doku Zavgayev told Interfax Thursday that the federal troops' "special operations" in Chechnya are in line with the presidential plan for ending the war in the Chechen Republic.

"Special operations are aimed against individual rebel groupings," he said.

He noted at the same time that "bomb attacks on peaceful villages are inadmissible. I will demand a thorough investigation of every bomb attack and strict punishment of those organizing them."

He is convinced that the conclusion of peace agreements between Chechen villages and representatives of the federal command and the Chechen government is very efficient.

"Ninety percent of Chechen territory has been declared a peace zone," said Zavgayev. "There are just a dozen villages, among them Dargo, Vedeno and Goyskoye, that are yet to sign peace agreements," he added. He believes that these villages would have joined the peace process long ago, if the rebels had not offered resistance.

He said he did not know anything about talks between Tatarstan President Mintimer Shaymiyev and Chechen separatist leader Dzhokhar Dudayev. "Such contacts must not be established behind the back of the Chechen people and government," he said.

Russia: Shaymiyev's Participation in Talks With Dudayev Viewed

LD1104125496 Moscow ITAR-TASS in English 1241 GMT 11 Apr 96

[By Artyom Protasenko]

[FBIS Transcribed Text] Moscow, April 11 (Itar-Tass) — A representative of Tatarstan President Mintimer Shaymiyev is now "getting in touch with Dzhokhar Dudayev". Vyacheslav Mikhaylov, the Russian Minister of nationalities, told this to Itar-Tass on Thursday.

He said the negotiations may be about resuming the activities of a special observation commission which will be engaged in the settlement of the conflict in Chechnya.

The reports of the nationalities minister about the contact being established between Shaymiyev and Dudayev refute the words of adviser to Tatarstan's president, Timur Akulov, who precluded in an interview to Itar-Tass on April 9 the possibility of Shaymiyev's mediation in the Russo-Chechen dialogue and who assessed reports of the media regarding this as "strange information of unknown origin".

Shaymiyev's candidature as a possible intermediary in the talks with Dudayev was named by the Russian president on April 6. Yeltsin said that "there are people abroad wishing to mediate, but we shall bear them in mind for the second stage of the negotiations if agreement is not reached at the first. There are also Muslims who are sure to have influence on Dudayev's armed formations".

Shaymiyev's candidature was also supported by Deputy Speaker of the Federation Council Vasiliy Likhachev and by Chairman of the Russian Union of Industrialists and Entrepreneurs Arkadiy Volskiy. The latter expresses the hope for a favourable outcome of Shaymiyev's "delicate mission", noting that the proposals of Tatarstan's president "should evoke trust".

According to the information from circles close to Tatarstan's president, Shaymiyev had a telephone conversation in early April and expressed the readiness to participate in the talks in any role. Immediately after that Tatarstan embarked on practical implementation of the intermediary mission in settling the Chechen conflict, sending presidential adviser Rafael Khakimov to Nazran on April 6. On the same day he began attempts to get in touch with Dudayev through the apparatus of the Ingush president.

Tatarstan's president so far avoids making public statements about his possible participation in the negotiations.

Meanwhile, Russian presidential press secretary Sergey Medvedev told a news conference on April 8 in Moscow that during the negotiations "much depends on the personality of the mediators. If there are no results of their activity at the initial stage, some or other participants in the mission of intermediaries may be replaced. There are many people wishing to act as mediators".

Russia: Minister Reports on Goals of Contacts With Dudayev

LD1104133396 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] MOSCOW, Apr 11 (Interfax) — The main goal of the contacts with Chechen separatist leader Dzhokhar Dudayev that are being established now is to clear up his official attitude to issues

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connected with the settlement in Chechnya, and to clarify conditions on which it is possible to reach a compromise with the leader of the self-proclaimed Republic of Ichkeria, said Minister for Nationalities and Federative Relations Vyacheslav Mikhaylov.

Addressing a news conference in Moscow on Thursday, Mikhaylov pointed to the controversial nature of Dudayev's public statements, judging by which he is sometimes willing to hold direct talks with Moscow, sometimes wants to conduct them through mediators, and sometimes rejects the possibility of any contacts, demanding that all Russian troops be withdrawn from Chechnya.

President Mintimer Shaymiyev of Tatarstan is playing an active role in establishing contacts with Dudayev, Mikhaylov said. The other leaders of the self-proclaimed Ichkeria, who exert tangible influence on local developments, should also be involved in the talks on a settlement in Chechnya, he said. Talks with Dudayev may result in the signing of a treaty on public concord and a principal agreement on preparations for elections in Chechnya that would ensure the participation of all local citizens in them.

With reference to the legal proceedings instituted against Dudayev and other leaders of the self-proclaimed Ichkeria by the office of Russia's prosecutor-general, Mikhaylov said that the rulings of the prosecutor-general apply to the activity of competent agencies, while a cabinet minister or a presidential aide "is not prohibited from engaging in negotiations."

In fact the negotiating process in Chechnya has never ceased; it continued on three levels, Mikhaylov said.

In the first place, federal troops and local authorities continue to sign agreements on peace and concord in concrete population centers and accords on establishing peace zones.

Secondly, the federal command is developing contacts with Chechen field commanders with a view to a ceasefire and lowering the level of armed confrontation.

As for the endeavors to establish contacts with Dudayev and his aides, it would be expedient to also include representatives from the official Chechen government under Doku Zavgayev, Mikhaylov said. He would also find it useful to involve OSCE [Organization for Security and Cooperation in Europe] observers in the negotiating process.

Russia: Dudayev's Supporters 'Have Big Doubts' About Moscow's Aims

LD1104174196 Moscow INTERFAX in English 1531 GMT 8 Apr 96

[FBIS Transcribed Text] SOUTHERN CHECHNYA, Apr 11 (Interfax) — A high-ranking official in the entourage of Chechen rebel leader Dzhokhar Dudayev told Interfax Thursday that people close to Dudayev have big doubts as to the sincerity of Moscow's readiness to conduct talks with them.

According to him, it is just a maneuver to continue attempts to annihilate representatives of the rebel leadership.

As an example, he cited Tuesday's assassination attempt against Chechen rebel commander Aslan Maskhadov in the east Chechen village of Tsotsin-Yurt. According to Dudayev supporters, 10 people were killed by an explosive device detonated under a makeshift tribune from which Maskhadov was to address local residents.

He said there had also been an attempt against field commander Salman Raduyev. His friend was killed, while Raduyev himself was lightly wounded. "Immediately after the incident, media spread the information that Raduyev had been killed," said the source.

Speaking about the situation in southern mountainous regions of Chechnya, he said that federal forces continued shelling and bombing villages and rebel positions there.

According to him, Russian troops are suffering great losses in the Nozhai-Yurt district, while losses among rebels are "significantly smaller than those of federal forces."

Russia: Chechen Vice Premier Warns of 'Exclusion' in Peace Effort

LD1204100196 Moscow ITAR-TASS in English 0948 GMT 12 Apr 96

[By Boris Kipkeyev]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — "Any authoritative mediator, with whose help the peaceful settlement of the Chechen conflict could be really promoted, will be welcomed," Vice-Chairman of the Chechen Government Abdula Bugayev told Itar-Tass today. He said he did not doubt Tatarstan President Mintimer Shaymiyev's sincere desire to help restore peace in Chechnya.

Bugayev described as "unconstructive" recent pronouncements that the Chechen Government "would

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prefer Nazarbayev to Shaymiyev as a mediator in the peace negotiations that are now being prepared".

He also said that he had no trustworthy information confirming that Rafael Khakimov, a representative of the Tatarstan President, was now in Ingushetia trying to establish communication channels with Dudayev's side. "However, if these reports are true," Bugayev noted, "it would be best to inform the Chechen Government about such plans. Exclusion from such a process of any of the sides involved in the conflict will not contribute to the promotion of a peace dialogue," he stated.

Russia: Chechen Government Prefers Nazarbayev as Mediator

LD1104200696 Moscow ITAR-TASS in English 1701 GMT 11 Apr 96

[By Natalya Panshina]

[FBIS Transcribed Text] MOSCOW, April 11 (Itar-Tass) — The Chechen government gives a full backing to the Russian president's peace plan, Chechen Deputy Prime Minister Isa Aliroyev said at a news conference here today.

Aliroyev is also the Chechen government's envoy to President Boris Yeltsin.

However, Aliroyev said, the Chechen government wants to see as the mediator at the peace talks "Nazarbayev rather than Shaymiyev".

The presidents of Kazakhstan and Tatarstan, Nursultan Nazarbayev and Mintimer Shaimiyev, have been named by Yeltsin as possible in-between negotiators with Dudayev.

Aliroyev said the special status of Tatarstan within Russia should hardly be hailed as Shaimiyev credit, as the status had been won only "against the background of Chechnya".

As for Ruslan Khasbulatov, the former speaker of the first Russian parliament now offering his mediator role, Aliroyev said Khasbulatov's "unforgivable error" was to blink at the split of Chechnya and Ingushetia. Controversy is looming now over demarcation of their administrative borders, he said.

Aliroyev said he saw the prospects of the peace plan for Chechnya as "unfavourable". He explained that federal troops are "easily responding to provocations" of rebels despite Yeltsin's orders to withhold fire.

As concerns the bombing raids on Chechen villages by "unidentified planes", Aliroyev said the Chechen government is keenly interested in a rapid investigation of those incidents.

Russia: Chechen Military Commandant Urges Mediation in Conflict

LD1104141796 Moscow Russian Television Network in Russian 1300 GMT 11 Apr 96

[FBIS Translated Excerpt] A statement made today by Vice President of Ingushetia Boris Agapov could be an indirect confirmation of the beginning of contacts with Dudayev. In an interview with INTERFAX, Agapov said that he has information about Rafail Khakimov, adviser of the president of Tatarstan, who arrived in Chechnya on 7 April and was escorted by Dudayev's representatives to the area where Dudayev is currently based. It is also known that Khakimov has mobile equipment enabling him to contact his government directly. At the same time, Agapov stressed that he could not confirm information about whether a telephone conversation between Dudayev and Shaymiyev has taken place. [passage omitted: Doku Zavgayev said his government should not be ignored while establishing such contacts]

Everyone who is interested in mediating in the Chechen conflict should immediately come to Chechnya because otherwise the federal forces will not be able to complete all military operations, military commandant of Chechnya Ibragim Suleymenov told journalists today at a meeting in the Russian Defense Ministry. He said Dudayev fighters are constantly shelling the positions of the federal forces, who are then forced to return fire. This will continue until talks are started, he said. Suleymenov said it is simply impossible to discuss the status of Chechnya at such talks:

[begin Suleymenov recording] Will the Chechen people survive today without Russia's help, without other countries, if a so-called sovereignty is granted to Chechnya? [end recording]

Suleymenov is convinced that an inter-Chechen dialogue is necessary. He said that representatives of the Chechen diaspora in Arab countries should be involved in this dialogue. It is these people who can lead the parties in the conflict to a common denominator. Suleymenov also said that at present, quite a few Chechens are serving in the Russian Armed Forces. The military commissariat of Chechnya has set up a special company [rota] which consists exclusively of native Chechens. However, Suleymenov also described actions of the Chechen police as passive and inefficient:

[begin Suleymenov recording] What is a military machine? It sweeps everything in its path. After this military machine, the police should follow up regarding who will take over control over residential settlements and districts and ensure people's security. This is our main trouble today: that the police are not capable of providing safety in residential settlements. [end recording]

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Russia: Chechen Rebel Maskhadov Said Badly Wounded in Explosion

LD1104124896 Moscow ITAR-TASS in English 1237 GMT 11 Apr 96

[FBIS Transcribed Text] GROZNYY April 11 (Itar-Tass) — Chechen separatist chief of staff Aslan Maskhadov was reportedly badly wounded in explosion in the village of Oktyabrskoye (Tsetsen-yurt) on Tuesday which was the third assassination bid against him over the past two months, a source close to the entourage of separatist leader Dzhokhar Dudayev told Tass on Thursday.

Ten of Maskhadov's bodyguards were killed and 20 people nearby were wounded.

The source said Maskhadov fell after the explosion and was all in blood. The militants took him to a white "Niva" car and drove away.

The source said Maskhadov arrived in Oktyabrskoye in Kurchaloy region of Chechnya to participate in a ceremony commemorating the rebels killed in the war.

The explosion occurred while he was addressing those present.

The source said the state of health of Maskhadov is not being disclosed, but it was, evidently, graver than after a clash with unknown attackers on March 7 near the village of Gerzel-aul and two days later when a mine exploded during his attempt to cross the Aksai river into Daghestan.

The source said there were two most probable reasons for the latest assassination bid. The attackers could have been the militants from the unit of field commander Salman Raduyev who believe that Maskhadov was involved in the assassination bid on their commander and swore to revenge.

The attack on Maskhadov occurred on the next day after his meeting with Raduyev.

The second version is that the attack could have been staged by ordinary militants whose families died during the shelling of Vedeno region which was provoked, according to them, by Maskhadov's actions.

It was he who ordered the militants to remain in the villages of the region after federal forces warned they would bomb the settlements if the fighters do not leave them, the source said.

Russia: Peace Protocol 'Indefinitely' Postponed in Chechen Village

LD1104133696 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] Groznyy, April 11 (Interfax) — The signing of a peace protocol by the administration of the village of Benoy-Vedeno, in the Nozhay-Yurt region in southeastern Chechnya, and representatives of the federal command and Moscow-backed Chechen government has been indefinitely postponed.

Although the situation is getting back to normal, "the local population, intimidated by the rebels, is refusing to sign the document," sources in the Chechen government told Interfax.

In the Nozhay-Yurt region, most of the villages have signed peace protocols, according to the Chechen government. In the Vedeno region, the procedure has been postponed until the situation is normalized and the refugees have returned.

In the eastern, southern and western regions of Chechnya, which were in the zone of combat operations, peace protocols have been signed by villages in the Achkhoy-Martan, Urus-Martan and Shali regions.

Russia: Ingush President Criticizes Yeltsin Over Chechen Issue

LD1104162996 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] MOSCOW, Apr 11 (Interfax) — Ingush President Ruslan Aushev has urged the federal authorities to halt special operations in Chechnya.

President Boris Yeltsin is fed biased information on what is going on in Chechnya, Aushev said in an interview with Interfax today, claiming that "[Yeltsin] is deliberately misinformed to make an excuse for the periodic bombardment of peaceful villages."

The special operations carried in Chechnya "do not differ from pure troop operations," Aushev said, voicing the conviction that "in the long run, only two forces — Dzhokhar Dudayev and Boris Yeltsin — are able to end the war in Chechnya." Dudayev is the head of the Chechen separatist movement.

The implementation of the presidential peace plan should involve "if not Boris Yeltsin himself, at least some of his close aides or Russian Security Council members," Aushev suggested. He objected to beliefs that Moscow will look weak if it yields to Dudayev's demands and empowers Tatarstan's President Mintimer Shaymiyev, a potential mediator at talks with the Chechen separatist leader, to negotiate as a Russian

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deputy prime minister. "On the contrary, that could only affect the negotiating process positively," Aushev remarked.

The withdrawal of federal troops from Chechnya "should have started right after the publication of Boris Yeltsin's plan," Aushev said, adding that although many Russian generals called it a disgrace, it was not. "After all, no one called the Soviet troop withdrawal from Afghanistan so," Aushev said, suggesting that such an approach, favoured by some of the Russian generals, may undermine Yeltsin's efforts toward peace in Chechnya.

Aushev fears that the "special status" for Chechnya, offered by Yeltsin, may prove to be "a time-bomb, especially if such a status is imposed against the people's will."

"A referendum should be held to let the people of Chechnya to determine their fate and decide whether they want to stay with Russia or secede," Aushev declared.

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CIS: Chernomyrdin Praises Results of CIS Council Meeting

LD1204120096 Moscow ITAR-TASS in English 1137 GMT 12 Apr 96

[By Artyom Protasenko]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin spoke highly of the results of today's meeting of the council of heads of government of the CIS at a news conference on Friday. "Today's meeting is remarkable as decisions were passed on virtually all items on the agenda, and there were some 30 of them," Chernomyrdin said.

The prime minister said that he visualises the Commonwealth in 1998 ideally such as relations between Russia and Belarus are today. Chernomyrdin said that not a single delegation at today's meeting spoke negatively about the recently signed agreement between Russia, Belarus, Kazakhstan and Kyrgyzstan on the deepening of integration and the Agreement on the Community between Russia and Belarus.

Asked about the financial aspect of these documents, the prime minister said that "no extra expenditures of Russia are envisaged". Chernomyrdin expressed the confidence that in relations with Belarus in the framework of the new community "all the expenses will lead to mutual advantage". "Integration in the framework of four countries and two countries should not be assessed merely from a financial viewpoint," he added.

CIS: Chernomyrdin Comments on CIS Exports

LD1204095996 Moscow ITAR-TASS in English 0941 GMT 12 Apr 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — The share of the member-countries of the Commonwealth of Independent States in the world's overall exports has reached two percent, Russian Prime Minister Viktor Chernomyrdin told the CIS Council of heads of government which met in Moscow today to consider and approve plans for coordinated integrated development of the community in 1996 and 1997.

The Russian Prime Minister admitted that the bulk of exports from the CIS member countries consisted of raw materials.

Chernomyrdin called on his colleagues from other Commonwealth states to consider trade and economic relations among the CIS members as a top priority since trade and economic relations "make up the core of our cooperation."

Russian specialists estimate that in 1996 the overall value of turnover between Russia and other CIS member-countries will increase by more than 6 percent as against 1995, and in 1997, it will grow by another 15 percent from this year's figures, Chernomyrdin said.

"This will give every member-country of the Commonwealth of Independent State a worthy share in turnover with Russia," he promised.

Chernomyrdin said the share of export operations with other CIS member-countries in 1995 shrank to 26 percent as against 31 percent in 1994.

"The value of reciprocal trade is maintained at an impressive level mainly due to the growth in prices of most exported goods," Chernomyrdin revealed.

In this context he noted that "everybody understands the need for convertible currency revenues in the budgets of the CIS countries, but it is hardly appropriate to solve that problem by cutting exports to other CIS countries."

"If we agree that our relations are a priority, let us stick to this also in our practical foreign trade policy," the Russian Prime Minister urged his counterparts.

According to him, it would be advisable to prepare and coordinate before the end of this year a series of long-term forecasts for the development of trade and economic relations within the Commonwealth of Independent States in order to work out, on their basis, joint comprehensive programmes of trade and economic cooperation among the CIS members-states.

Baltics: Baltic Assembly Supports Defense Union

LD1104183396 Moscow INTERFAX in English 1531 GMT 11 Apr 96

[FBIS Transcribed Text] VILNIUS, April 11 (Interfax) — The Baltic Assembly supports the creation of a defense union for the three Baltic states, Egidijus Bickauskas, the chairman of the Assembly's presidium and the vice chairman of the Lithuanian parliament, told Interfax at a press conference in Vilnius Thursday.

About a year ago, the participants in the session of the Baltic Assembly, the consultative body of the Lithuanian, Latvian and Estonian parliaments, adopted a resolution on the importance of creating such a union, he said.

He also said that a military union "is not an alternative to the Baltic countries' admission to NATO."

"On the contrary, it is likely to prepare our countries for membership in this organization," he said.

The defense union will be discussed once again by the Baltic Assembly in Vilnius on April 13, he said.

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The main topic of the April 13 session will be ways of enhancing the efficiency of interparliamentary cooperation.

Also, a decision is likely to be taken on the Russian parliament's vote denouncing the Belovezhskaya Accords on the Soviet Union's breakup and the formation of the Commonwealth of Independent States.

On April 14 Vilnius will host a session of the Baltic Council, a body of representatives of the Baltic Assembly and the Baltic countries' Council of Ministers. A two-day joint session of representatives of the Baltic Assembly and the Nordic Council is to be held on April 15, also in Vilnius.

CIS: ITAR-TASS Carries Press Review for 12 April

LD1204054596 Moscow ITAR-TASS in English 0520 GMT 12 Apr 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW April 12 (Itar-Tass) — Follows a review of Friday's Moscow-based Russian newspapers dated April 12.

ROSSIYSKIYE VESTI on the future of Russia.

The newspaper carries the "April theses" of Nikita Mikhalkov, a film director and public figure. He emphasises that he now cares for the destiny of Russia, rather than the presidential elections".

It is very simple to ask "who is to blame" but very difficult to answer the question "what is to be done?", Mikhalkov observes. He has made up his mind and is of the opinion that "Not to re-elect (Boris) Yeltsin this time would mean that we would acknowledge our helplessness, fussiness and the lack of historical statesmanly thinking and courage".

"President Yeltsin must further the cause which he himself started. This does not mean that Russia lacks political talents. But the talents must pick up the political baton, proceeding along the way chosen, and not puting the Motherland on the verge of choosing life or death every four years," Mikhalkov points out.

ROSSIYSKIYE VESTI on economic prospects.

The newspaper carries an article headlined "The spectre of Socialism frightens not only Western businessmen" by Mikhail Sudakov, General Director of the Neva Kabel plant.

"We all dread a change in the economic situation which now gets increasingly stabilised. I am not a politician but if Boris Yeltsin is not re-elected as president, I fear lest new authoirities should take ill-considered economic actions which would ruin everything that has been achieved with such a difficulty," Sudakov writes.

ROSSIYSKAYA GAZETA on election platforms of some parties and presidential contenders.

The newspaper carries an article headlined "Do not give matches to those who are fond of making fine promises" by Aleksandr Batygin, who analyses the election platforms of both some parties, movements and presidential contenders.

Russia is now in need of continuity, stability, thoroughness and experience as never before, not ambitions or clamour for revenge by latter-day messiahs and their desire to remake everything once again, the author believes.

ROSSIYSKAYA GAZETA on a book about Kuriles.

The newspaper runs an article headlined "History should not be re-written. The South Kuriles have always belonged to Russia" by A. Koshkin, Dr of Science (history), who comments on the just-published book entitled "the Russian Kuriles: History and Modern Times".

This is a collection of documents on the history of the formation of the Russo-Japanese and Soviet-Japanese border. The book has been prepared for publuication under the auspices of the State Duma Committee on Security, the Russian Academy of Sciences and a number of other organisations.

IZVESTIYA on culprits of wage payment delays.

The newspaper's editorial board has available the text of a letter by Yuriy Skuratov, Procurator-General of Russia, to President Yeltsin. It follows from the letter that everything seems to indicate that those guilty of wage payment delays have been found.

The Procurator's Office has already instituted criminal proceedings in 38 cases and has imposed more than 1,500 administrative and disciplinary penalties. Several hundreds of suits referred to arbitration courts await judgement. The details of this procuratorial work are given in an article headlined "Apply to the procurator if you did not get wages" by Dmitriy Dokuchayev.

IZVESTIYA on homeless children.

This subject is raised by Inga Kuznetsova, a woman journalist from Irkutsk. Not a single official service has available exact data on the number of waifs in Russia but approximate estimates make it possible to say that there are not less than half a million destitute children in the country.

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TRUD carries an article on the occasion of the Cosmonautics Day. The article sheds light on the unknown pages of the life of Yuriy Gagarin, the world's first cosmonaut.

TRUD on an ecological time-bomb.

Recently declassified archival materials reveal the existence of an ecological time-bomb which one day may brign about an unprecedented ecological disaster. Hundreds of thousands of tonnes of chemical munitions remaining since the Second World War lie on the Baltic seabed.

KOMSOMOLSKAYA PRAVDA is gratified to report American scientists' theorising that the God does exist. Russian believers thus get invigorated in their faith on Easter eve, the newspaper points out gleefully.

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Russia: Yeltsin Comments on Nuclear Summit, Waste, Campaign

LD1104163096 Moscow INTERFAX in English 1531 GMT 11 Apr 96

[FBIS Transcribed Text] MOSCOW, April 11 (Interfax) — Russian President Boris Yeltsin told workers of the Moscow region enterprise Energomash Thursday that he is in good shape and ready to actively lead the election campaign.

"I will not surrender," he said in answer to one of the workers.

Yeltsin said he will have to tour all around Russia to make sure his election campaign is effective.

"Only this way, looking in the people's eyes, one can tell them of one's plans for the future," he said.

Russia has "a strategic reserve of hard currency" of $13 billion, Yeltsin said. This is a result of the government's strict financial policy, which has "enabled the country to become stronger, accumulate strength and stand on its own feet," he said.

The upcoming Moscow summit on nuclear security will have two co-chairmen, the presidents of Russia and France, Yeltsin said. "The rest will be equal participants, including U.S. President Bill Clinton, who will behave modestly at the conference, as appropriate to an equal participant," he said.

Yeltsin announced Russia's intention to sign a convention on responsibility for the storage of nuclear waste, which the former Soviet Union had refused to sign.

"This waste cannot be dumped into the sea, while we used to do so, though in special containers, in the North and near the Japanese coast," he said. "However, decay may do its job in 50 years, and we have to think about the future."

"Together with the United States, which is helping us financially, we are building a special plant called Mayak in the Chelyabinsk region to utilize entirely and safely nuclear waste," Yeltsin said. "A similar plant will be built in the United States."

Russia: Primakov Holds 'Useful' Talk With Strobe Talbott on Summit

LD1104124196 Moscow ITAR-TASS World Service in Russian 1200 GMT 11 Apr 96

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[FBIS Translated Text] Moscow, 11 Apr (Itar-Tass) — At a briefing, Mikhail Demurin, official spokesman of the Russian Foreign Ministry, today described as "useful" a conversation between Russian Foreign Minister Yevgeniy Primakov and Strobe Talbott, U.S. deputy secretary of state, which took place in Moscow today. The deputy head of the U.S. Department of State arrived in the Russian capital to finalize preparations for a Russian-U.S. summit, which is to be held in Moscow in April.

The official spokesman of the Russian Foreign Ministry said that Yevgeniy Primakov and Strobe Talbott "discussed the key issues on the international and bilateral agendas, which above all require additional coordination."

Russia: Moscow Nuclear Summit To Discuss Chernobyl Station

LD1104165196 Moscow INTERFAX in English 1531 GMT 11 Apr 96

[FBIS Transcribed Text] MOSCOW, April 11 (Interfax) — The April 19-20 "Big Eight" summit on nuclear safety in Moscow will include discussion of the future of the Chernobyl nuclear power station in Ukraine, whose sarcophagus is deteriorating, head of the government environmental committee Aleksey Yablokov told a Thursday press conference.

Ukrainian President Leonid Kuchma, he said, will also take part in the summit. The actual work of the station does not worry specialists, but the sarcophagus covering the energy block where the 1986 meltdown occurred is a cause for concern.

The sarcophagus will be able to cover the area for another ten years, according to Ukrainian estimates. But it might collapse in just five, Yablokov said. "The sarcophagus was hastily built and something needs to be done with it," he said.

It is unclear how much nuclear fuel and plutonium remain in the reactor, he said. Water is seeping through cracks in the covering and it is unknown what sort of chemical reactions are currently taking place, he said.

Russia: Causes of 'Chicken War' Analyzed

MM1104113896 Moscow INTERFAKS-AIF in Russian 8-14 Apr 96 pp 1, 10

[Article by INTERFAX economic observer Igor Merkulov: "Why the 'Chicken' War Was Unleashed and Who Benefited From It"]

[FBIS Translated Text] The furor over American chicken legs provided an opportunity to look behind the scenes at Russian foreign trade, and exposed the close interdependence between businessmen's and politicians' interests. INTERFAX economic observer

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Igor Merkulov analyzes the main theories concerning the causes of the conflict, which at certain moments was reminiscent of the Caribbean crisis.

The problem of the importation of chicken from the United States into Russia would not have been worth a hill of beans and it would have been treated as calmly as the ban on imports of British beef into Russia, which has been in force for six years, were it not for the fact that U.S. President Bill Clinton comes from one of America's main poultry-raising states, Arkansas; that America's biggest poultry company, "Tyson," is one of his presidential election sponsors; and that Clinton is facing presidential elections on 4 November 1996.

Were it not for these factors, Vyacheslav Avilov, Russian Federation chief state veterinary inspector, would have dealt calmly with a routine veterinary problem between the two countries — just as he dealt with the British beef problem when he was still deputy chief veterinary inspector. However, the intervention of the highest political interests meant that a purely veterinary problem was elevated to the Gore-Chernomyrdin level and was aired in rather strongly worded letters from the U.S. vice president to the Russian premier in which Russian-U.S. relations in general were all but made dependent on chicken meat deliveries.

However, the Russian premier was obviously also thinking about the elections, which are much closer and more crucial for the country. So a purely veterinary problem offered an extremely convenient opportunity to demonstrate the ability to defend the country's interests, complete independence and adherence to principles with regard to the United States, and concern for the country's own producers. That was why the Russian veterinary inspector, having received the premier's support, adopted an unequivocally tough line at talks with the United States and made the Americans meet all his demands, even those that had appeared inconceivable.... Thus, under the joint protocol, it is not the U.S. government, but Russian veterinarians who will carry out the inspection of U.S. poultry farms and permit or not permit them to export their output to Russia.

It could be concluded from this that the main cause of the outbreak of the "chicken" war and its elevation to the level of the two countries' top leadership lay in purely political problems. In addition, naturally, there are economic factors, and there are also some rather interesting theories concerning these factors.

The suggestion of a "grain" cause for the "chicken" war proved incorrect, although initially this theory sounded quite convincing and even elegant. The logic goes like this: Russia, having obtained the lowest grain harvest in 30 years, needs grain most of all, not meat. Motivated by the country's highest interests, Russia temporarily stops chicken imports from the United States — as a result of which they will be forced to reduce chicken production, which will lead to a fall in demand for grain and ultimately a reduction in grain prices. This will be followed by rapid, mass purchases of grain by Russia — after which the importation of poultry meat can be resumed painlessly.

However, in reality the U.S. grain market reacted in exactly the opposite way. The grain dealers' logic: Russia is rejecting imports of more than 700,000 tonnes of chicken a year — that means that it intends to produce the meat itself at its own poultry farms. To do that, it will need high-protein feeds (corn, soybean), which the country does not have enough of — so Russia will be forced to increase imports of grain dramatically.... That was why the fist salvoes of the "chicken" war provoked not a fall, but a rise in world prices for corn, one of the main components of mixed feed for poultry.

It can be said with considerable confidence that the "chicken" war was advantageous to the major Russian importers of chicken meat, paradoxical as that may sound. First, the major American companies had quite quickly understood the advantages of supplying "Bush's legs" to Russia, and as the Russians' appetite grew, they increased the price of this product, which was originally a kind of "waste product" in the production of white chicken meat (breasts etc.) which is popular in the United States. Americans do not eat the legs, Russians adore them — so the Americans have an extremely advantageous opportunity to sell a worthless product at decent market prices.

The major Russian importers have made a fuss several times in recent years about the unheard-of rise in the price of "Bush's legs," and have even declared that a further increase in the selling price would force them to turn to the European market instead. In time all the disagreements settled down, but all the same the Russian companies could no longer make the same super-profits as in the early days of the mass importation of chicken legs, since the Americans were keeping them on rather a short rein price-wise. And the "chicken" war was a very good opportunity to beat down the price for a product that is "not very good quality and does not meet veterinary requirements." And this threat was so real that the Americans were genuinely frightened.

Furthermore, a month of uncertainty over chicken deliveries and the cessation of the issuing of import permits enabled the major Russian "chicken bigwigs" to shake off a large number of small-scale importers: Whereas for the former, re-routing or even sending back

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a shipload of chicken legs was a mere unpleasantness, for small firms it meant instant ruin.

There is also a theory that the entire furor over the chicken legs was inspired by those Russian importers who are geared to the European market. In the event of Russia's turning to European chickens, the EU countries would receive vast additional markets (nearly $600 million a year), and Russian importers would no longer have to worry about substantial transportation expenses to ship the poultry across the ocean.

However, Europe does not have such a developed and large-scale poultry-raising industry as the United States, and in practice it does not have the spare capacity for a volume of 700,000 tonnes of chicken legs a year. It would take some time, and investments, to create that capacity. And there might not be room for poultry raising, which is ecologically harmful, in an overpopulated Europe. So to initiate a veterinary ban — a powerful and instantaneously effective weapon — on the United States is, from the viewpoint of the large-scale importer, tantamount to suicide: A ban on American chicken legs would enable the Europeans instantly to hike prices for their own output and in the immediate future to dictate to our importers without hindrance.

These are probably the main overt or covert sources of the "chicken" war, which has ended well. The Russian veterinary service and Vyacheslav Avilov personally, judging by everything, acted objectively, on the basis of their official duties. This is attested by the fact that at the height of the "chicken battles" the Russian mass media published a report on the peaceful outcome of the conflict as a result of a single telephone conversation between Gore and Chernomyrdin, But Russia's chief state veterinary inspector, commenting on this report, told INTERFAX that he had not changed his decision and did not intend to change it "in any circumstances".... It emerged 24 hours later that Gore's conversation with Chernomyrdin had been interpreted not entirely correctly by journalists.

So it can be assumed that initially this was a purely veterinary problem which sprang up irrespective of the political and economic interests of various lobbies. But those interests coincided, and most likely it was that coincidence of interests that enabled the Russian veterinarian to secure victory over the American poultry farmers and stand firm even under the onslaught of highest-level political interests.

Russia: Yeltsin: Moscow Ready To Increase Cooperation With DPRK

LD1204084296 Moscow ITAR-TASS World Service in Russian 0703 GMT 12 Apr 96

[By ITAR-TASS correspondents Ivan Zakharchnko and Andrey Kirillov]

[FBIS Translated Text] Pyongyang, 12 April (Itar-Tass) — Drawing on the extensive historic experience, Russia is ready to step up the whole spectrum of relations with the Democratic People's Republic of Korea based on mutual respect and equal and mutually beneficial cooperation. Russian President Boris Yeltsin said this in his verbal message to Kim Chong-il, chairman of the North Korean National Defense Commission and the supreme commander of the North Korean People's Army. The message was conveyed in Pyongyang today by Vitaliy Ignatenko, the Russian deputy prime minister through the North Korean vice-president, Yi Chong-ok. Ignatenko was leading the Russian delegation at the first sitting of the bilateral inter-government commission for cooperation in the trade, economic, science and technology spheres.

Yeltsin noted "the long-standing traditions of good-neighbourliness and cooperation" between the two countries in various spheres and said he is confident that the development of the bilateral relations on this basis is in the interests of peace, security and stability on the Korean peninsula. Russia was guided by these considerations when it proposed to conclude a new treaty on the principles of friendly relations between Russia and the People's Democratic Republic of Korea.

"Russia supports the aspirations of the Korean people towards the peaceful and democratic unification of Korea and comes out in favor of reducing tension on the Korean peninsula as well as in favor of the inter-Korean dialogue. We intend to do everything we can to help this," the Russian president said.

Russia: Ignatenko Begins Consultations in Pyongyang

LD1104161596 Moscow ITAR-TASS in English 1546 GMT 11 Apr 96

[By Ivan Zakharchenko, Andrey Kirillov]

[FBIS Transcribed Text] PYONGYANG, April 11 (Itar-Tass) — The development of goodneighbourly relations with the People's Democratic Republic of Korea reflects Russia's national interests, Deputy Prime Minister Vitaly Ignatenko told Tass.

Ignatenko is heading Russia's delegation to the first session of an intergovernmental commission for trade,

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economic, scientific and technical matters. Bilateral political consultations which started in Pyongyang on Thursday are being held within the frame of the visit.

"A need has emerged to bring political contacts between the two countries to a higher level," the vice-premier said adding that there is also a need in a new fundamental document on bilateral relations which would account for realities of the contemporary world.

As North Korea's neighbour, Russia is interested in easing the confrontation on the Korean peninsula and supports an idea of peaceful reunification of Korea without any interference from the outer world, Ignatenko said.

Taking part in the consultations are Russian deputy foreign minister Aleksandr Panov and his North Korean counterpart Yi In-kyu. In particular, the sides are considering the situation on the peninsula which has developed after North Korea refused from observing a truce agreement with its Southern neighbour.

Russia has expressed its concern over growing tensions between the Koreas and deems it necessary to preserve the existing system of security until a new reliable mechanism is worked out.

The consultations will resume on Friday. Also this day, Panov is expected to meet Foreign Minister Kim Yong-nam.

Russia: Ignatenko Praises Progress of Talks in North Korea

LD1204083896 Moscow ITAR-TASS in English 0750 GMT 12 Apr 96

[By Ivan Zakharchenko and Andrey Kirillov]

[FBIS Transcribed Text] Pyongyang, April 12 (Itar-Tass) — Russian Vice-premier Vitaliy Ignatenko described as "fruitful and productive" the work in Pyongyang of the first session of the intergovernmental commission on trade, economic, scientific and technical cooperation between the Russian Federation and North Korea.

Ignatenko told Itar-Tass that the discussion in Pyongyang of the key problems and principles of business relations between the two countries made both parties feel the strong mutual interest in the resumption and strengthening of bilateral ties.

Vice-premier Ignatenko, who led the Russian delegation to the session of the intergovernmental commission, stressed the great importance not only of the fact that "we succeeded in restoring the efficient mechanism of the intergovernmental commission which won a very good reputation for itself over many years of joint activity in the past, but also in reaching an agreement to set up a series of working groups in such significant fields as science and technology, the timber and consumer goods industries, transport and cooperation with Russia's Far Eastern region."

The Russian delegation was made up of representatives of the economic departments and business circles of different regions of the Russian Federation.

According to Ignatenko, the commission also succeeded in making a thorough examination of the two countries' respective positions with regard to such complex problems as the settlement of debts, including for railroad conveyance and in relations between Russian and North Korean organisations.

The Russian vice-premier said the session of the commission was well-timed and mapped guidelines for the expansion of bilateral economic relations.

Ignatenko expressed confidence that the meeting in Pyongyang, earlier repeatedly postponed since 1992, "will mark a serious step forward in a number of fields, and the next meeting will yield results which will be no less important."

Vice-premier Ignatenko and his North Korean counterpart Hong Song-nam signed a memorandum on the results of the session.

The North Korean vice-premier said in his closing address to the two delegations that he was satisfied with the work of the commission and stressed that the two parties agreed to make further efforts in order to raise the two countries' economic and trade cooperation to the level it had reached by 1991, after which it declined dramatically.

The Russian delegation is due to leave Pyongyang for home later today.

Russia: Duma Official Says Castro Meeting 'Extremely Positive'

LD1204055696 Moscow ITAR-TASS World Service in Russian 0325 GMT 12 Apr 96

[By ITAR-TASS correspondent Kostantin Zhukovskiy]

[FBIS Translated Text] Havana, 12 Apr (Itar-Tass) — A delegation from the Russian Federation State Duma has assessed the results of its official visit to Cuba as "extremely positive," Vitaliy Sevastyanov, the head of the Russian delegation, said on Thursday prior to his flight home.

In an interview with ITAR-TASS, he said that they had held talks with most of the Cuban leaders and had an opportunity to see for themselves the present situation on the island. Sevastyanov said that relations between

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Russia and Cuba, which are continuing to develop, should be further stepped up, including the construction of a nuclear power station in Huragya.

We are planning to have parliamentary hearings, as well as listen to the government's report on the nuclear power station so as to take decisions later which will directly affect state investment in the project. Sevastyanov stressed that its active implementation should begin in the near future.

Speaking of a meeting with Cuban leader Fidel Castro, the head of the Russian delegation said that it was "very good, warm, and cordial; we discussed various issues — from space to politics in Russia and Cuba." He stressed that Castro "is extremely optimistic about the future of bilateral economic relations, confirming once again our confidence in the stance of the Cuban side."

Sevastyanov said there would be a return visit by the National Assembly of People's Government of Cuba in the second half of May. State Duma Chairman Gennadiy Seleznev is expected to visit Havana at the beginning of July.

Russia: Kwasniewski Comments on NATO, Polish-Russian Relations

LD1104192696 Moscow NTV in Russian 1535 GMT 10 Apr 96

[Studio interview with Polish President Aleksander Kwasniewski by Yevgeniy Kiselev on 10 April — recorded; Kwasniewski speaks in Polish with superimposed translation into Russian; from the "Hero of the Day" program]

[FBIS Translated Excerpt] [Kiselev] Hello! Another "Hero of the Day" program is on the air. Yevgeniy Kiselev is in the studio. The visit to Moscow by Polish President Aleksander Kwasniewski ended today. Kwasniewski was a guest of the "Hero of the Day" studio today. [passage omitted]

Mr. President, thank you for finding the time during your busy schedule to come to our program.

I would like to ask you this right away: Judging from the press reports before and during your visit, the main theme of your talks in Moscow with the president of Russia was the question of Poland joining NATO, in other words, the expansion of NATO eastward and, judging from the reports that have come in, your opinion has not changed. Is there an alternative path? Are the contradictions, the differences between Moscow and Warsaw reconcilable?

[Kwasniewski] Thank you for inviting me to appear on the program. The NATO question was not the main or only theme of my talks with President Yeltsin and Prime Minister Chernomyrdin.

We tried, first of all, to discuss bilateral relations, what we could do to guarantee fruitful good-neighborliness and our contacts. The question of NATO was discussed, of course, and naturally differences in opinion are obvious, and we do not hide that. Moreover, it is a good thing for us to state clearly what the Polish approach is and what the Russian approach is and that we are trying to explain to each other how our views should be understood.

I do not think that there is any compromise today. It seems to me that we are in a situation in which there is a way of thinking in terms of stereotypes or out of habit, which has marked the last few years.

NATO for Russia is a military bloc directed against Moscow, against the Soviet Union, and against Russia today. It seems to me that this is incorrect. [passage omitted: NATO's actions today are not directed against anyone; its aim is to stabilize Europe; 80 percent of the people in Poland are for membership in NATO]

Stereotypes also come into play here because we fear that Poland's security is threatened. We have experience of that over the past few years. A completely new look must be taken. [passage omitted]

I am sure that NATO, as a structure, is an element of the changes, of integration into European security, and that on the basis of NATO a security system can be built, in which there will be a place for Poland and which will not threaten Russia in any way — will not be directed against Russia. I told President Yeltsin that our desire to join NATO was not directed against Russia. Poland does not want to be a front-line country of any bloc. We want to have the best relations with our eastern partners. In our opinion, nothing more practical than NATO has been created in Europe.

[Kiselev] [passage omitted: Walesa saw Poland's entry into NATO primarily as a means of defense against possible threats from Russia] What if the communists win in the June elections in Russia? How will the Polish people feel about it? [passage omitted] How may that affect Poland's timetable for joining NATO and the degree of integration into its military organization?

[Kwasniewski] [passage omitted: votes for Walesa not connected with his stand on NATO] I think that Poland is convinced, moreover is legitimately convinced, that we need security guarantees. [passage omitted: wars in Europe over the past millennium have affected Poland, hence Poles are very sensitive about security issues]

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As for the elections in Russia, these are elections for the Russians. I am avoiding any commentary or expression of opinion. [passage omitted: remembers comments from abroad when there were elections in Poland] I want to assure you that I personally, and Poland, too, will respect every democratic election that conforms to the principles, to the rules, and I am very serious about this.

What will happen if Gennadiy Zyuganov wins? That depends upon him. It depends upon the policy that is carried out. I believe deeply that Russia has embarked upon the path of democratic transformations, that Russia is travelling along the path toward a free market, that Russia does not want today to be a country in conflict with anyone and have tense relations with anyone. I am convinced that Russian politicians in your country today, both President Yeltsin and those in the Duma, all assure me that they are interested in good relations with Poland. I take that as an honest promise.

[Kiselev] [passage omitted] At a news conference yesterday, Zyuganov said that you met him on 8 April after you arrived in Moscow and discussed the sociopolitical situation in the Russian Federation with him. Some sources say there was no such meeting. Did the meeting take place in fact?

[Kwasniewski] After I arrived in Moscow on 8 April, there was a reception in the Polish Embassy by the Polish ambassador. There were many prominent guests there, including Zyuganov. I spoke to him, of course. There was also Grigoriy Yavlinskiy. I also had a conversation with him. There were also many other individuals. I do not hide the fact that because of the elections I spent more time talking to Yavlinskiy and Zyuganov as a consequence of their electoral campaign. That is all that can be said. There is nothing sensational here. There were such meetings in connection with the reception in the Polish Embassy. I spoke to Yavlinskiy and Zyuganov, and I spoke to the governors of some regions; Vladimir Lukin, chairman of the State Duma Commission for International Issues; and Former Foreign Minister Andrey Kozyrev. It was a very good reception. [passage omitted]

I want to state clearly that it has nothing to do with participation in your presidential campaign. I came here at the invitation of President Yeltsin and I appreciate very highly that invitation. I invited President Yeltsin to make a return visit to Poland. As head of the Polish state I have an interest in ensuring that our contacts are good. What you do during the elections is your own business.

[Kiselev] [passage omitted] What is your personal opinion — is Zyuganov a communist or a social democrat?

[Kwasniewski] [passage omitted] I would say that judging from my conversations with Zyuganov, he has a correct understanding of the principles of social democracy. I did not hear him express the wish to return to party monopoly, restrictions on democracy, or any other path than democracy. Of course, I am speaking about what I heard, and I believe this is how it is. The people I met are deeply convinced of the need for democracy, the need for the development of a democratic Russia and Europe.

Things are much more serious as far as economic issues are concerned. [passage omitted]

We could argue about some vital questions. I do not come to Russia, to any country, to review, comment, or preach. I want to have good contacts with Russian politicians because we need Russian- Polish cooperation.

[Kiselev] You are nevertheless aware, Mr. President, that your political success, your victory as a representative of the united left-wing forces in the presidential elections in Poland, is being used as a powerful propaganda trump card by left-wing politicians here in Russia?

[Kwasniewski] I think my success can be made use of in various ways. I would like it to be used, above all, for good relations between our countries. [passage omitted]

[Kiselev] Mr. President, you mentioned the Katyn tragedy. [passage omitted]

Does it not seem to you that it is time to separate current policy from history and hand over history to the historians?

[Kwasniewski] I think that is in fact the case. It is indeed time that the past should not burden the present. My visit to Katyn is in honor of the dead. I want to say that the first flowers I laid were at the monument to Russian victims of Stalinism. [passage omitted]

[Kiselev] During the Polish election campaign, very often and in very strong terms — which almost bordered on the improper — your opponents were accusing you of pro-Moscow sympathies. Nevertheless, people who were following your current visit to Moscow noticed that you were not ashamed to speak in perfect Russian, almost without an accent, when you replied to questions from journalists. Would you agree that it is a rather sensitive issue for some Poles. Are you not afraid that supporters of Solidarity and Walesa will again accuse you of pro-Moscow moods?

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[Kwasniewski] I have neither pro-Moscow moods nor pro-Moscow complexes. I regard Russia as a very important partner. I had an opportunity to get to know this country not as a politician but as an ordinary person, a tourist and a student. The fact that I speak Russian cannot be an argument against me because I also speak English, and with Chancellor Helmut Kohl I speak in German. One cannot accuse me of pro-U.S. or pro-German sentiments. These arguments are meaningless. I think it is good if we can communicate more informally, without any impediments. I believe that both my supporters and opponents in Poland will regard my visits to Moscow, Katyn, Smolensk, and Irkutsk as an important step toward stabilization of the situation in Europe and an important step in our contacts.

I have said it before and I would like to repeat it again: Good relations with Russia, good Russian-Polish relations are not only in the interests of Russia — it is also in the interests of Europe. Bonn, Paris, and Brussels are expecting that good cooperation will develop between us here. Europe is very much concerned that there may be some unpredictable developments in our part of Europe as a result of difficulties, conflicts, and tension. Together with President Yeltsin we can send the following signal from Moscow: Do not worry!

[Kiselev] Mr. President, immediately prior to your visit to Russia the media in both countries were hyping rumors that there is a project in the pipeline to build a transport corridor between Grodno and Kaliningrad, former Konigsberg, through Belovezhskaya Pushcha. Is that true?

[Kwasniewski] There is no problem here, and I was assured by President Yeltsin to that effect. I want to make it absolutely clear that Poland will never agree to any corridor. Poland knows from the past what difficulties that might involve.

[Kiselev] That is why I asked you that question.

[Kwasniewski] The matter is closed. At the same time, we discussed Polish-Russian cooperation in transport. Poland is a transit country. We have a large-scale plan to build highways. We are planning to build a high-speed railway between Berlin, Warsaw, and Minsk, and, I hope, up to Moscow. We will do everything we can so that Kaliningrad has good communications with Pol[illegible]. We will upgrade the Kaliningrad-Elblag highway. At the same time, everything that will make transit through Poland safer is also in our interests. We are practical people and we want to take advantage of our position between Russia and Germany, between the east and west of Europe. We see it as an advantage we can make money on.

[Kiselev] [passage omitted] Are you saying that you will try to preserve the image of a democratic president, who is approachable and open to contact. For example, many people noticed that at the World Economic Forum in Davos — and I myself witnessed that — you had very few bodyguards. Or that reception on 8 April we have talked about — it was rather unusual in the sense that you did not retire to a special room as it often happens on such occasions but instead stood in the middle of the crowd talking to Russian politicians. Will you try to keep this style?

[Kwasniewski] In my opinion, it is necessary. When a politician goes to meet people, everyone likes that. Yesterday I had two such occasions. First, at the Federation Council where by accident I met some Muscovites. Afterwards at the Polish Roman Catholic church I met some Poles. It turned out that I did not need bodyguards. People were interested in talking to me and I was interested in talking to them.

[Kiselev] Mr. President, thank you for your answers and your interesting interview. I hope you will have a safe journey home.

Russia: Foreign Ministry 'Puzzled' by U.S. Threats Against Libya

LD1104132596 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] Moscow, April 11 (Interfax) — Russia has taken note of United States Defense Secretary William Perry's statement regarding the possibility of using force against Libya in connection with that country's reported construction of a chemical weapons factory, Foreign Ministry spokesman Mikhail Demurin told a briefing Thursday.

Unfortunately, he said, "this Arab country received what were essentially threats, which were not, however, supported by evidence.

"One cannot help but be puzzled by militant statements like these from top U.S. officials," he said.

"Military force is unacceptable, no matter what the motivation," Demurin declared.

Russia: Foreign Ministry Spokesman Denounces Israeli Actions

LD1104191796 Moscow ITAR-TASS World Service in Russian 1730 GMT 11 Apr 96

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow,11 Apr (Itar-Tass) — The escalation of Israel's armed actions in Lebanon

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is causing great concern in the Russian capital, says a statement by a Russian Foreign Ministry spokesman which ITAR-TASS received today. As is common knowledge, the Israeli Army today inflicted a series of missile and bomb strikes on coastal areas in Lebanon, including the southern suburbs of Beirut and the al-Biqa' Valley.

The Israeli command, the document notes, claims that the attacks were against strongholds of the Lebanese militarized Hezbollah organization as revenge for its strikes against northern Israel. The Russian side invariably condemns anti-Israeli forays by terrorists. Nevertheless, the statement emphasizes, "we cannot fail now to be concerned by the fact that once again Lebanon's sovereignty has been violated and it is difficult to call the Israeli Army's action an appropriate response to the actions of the extremists." In the view of the Russian Foreign Ministry spokesman this could "have a negative impact on the international community's efforts to resume the Mideast peace talks."

The statement contains a call "to halt the escalation of violence in the region and to break the vicious circle of tragic events" and seek a solution by peaceful political means to the problems that have built up. As for the hotbed of tension in southern Lebanon, the Russian side, according to the Russian Foreign Ministry spokesman, "has constantly called on all the sides involved to show restraint and continues to do so." "Moreover," the document stresses, "we have repeatedly called on Lebanon and Israel to start searching without delay for a peace settlement on the basis of compliance with UN Security Council Resolution No. 425, which provides for the withdrawal of Israeli troops from southern Lebanon, and ensuring the security of both countries."

Russia: Chernomyrdin Chairs First SSR Executive Committee

LD1104170096 Moscow NTV in Russian 1500 GMT 11 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Today is a uniquely historic day for some of the inhabitants of the former USSR. The leaders of Russia and Belarus held in Moscow the first sitting of a steering body with an old, well-known title — the executive committee of the SSR. The content behind the title, though, is completely new. [video shows Prime Minister Chernomyrdin chairing meeting] The top structure of the commonwealth of the two sovereign republics, Russia and Belarus, is being formed. Officials describe this as the stage of enhanced integration:

[begin recording] [Correspondent Vladimir Lenskiy] The first sitting of the executive committee of the Russian-Belarusian commonwealth opened with a keynote speech by its chairman, Prime Minister Viktor Chernomyrdin. According to the prime minister, the success of the commonwealth cannot be assured without synchronization of economic reforms in both countries:

[Chernomyrdin] It is we who must set the tone; and the most important thing is the result, and when that result will be. That is the biggest issue, so that we are attractive — I think we — so that we attract... [changes thought] so that the results are the fact that we have created such a commonwealth.

[Lenskiy] The executive committee's first resolution, which was adopted today, grants equal rights to the citizens of Belarus and Russia to obtain secondary, higher, and post-graduate education on the territory of both states. The top ministers and chairmen of government of the two countries are members of the commonwealth's executive committee. This body has pretty broad powers. Its direct rulings must be implemented in both Russia and Belarus. [end recording]

Russia: Duma Signs Cooperation Agreement With Belarus

LD1104084496 Moscow Russian Television Network in Russian 0700 GMT 11 Apr 96

[FBIS Translated Excerpt] An inter-parliamentary agreement between Russia and Belarus was signed in Moscow today. The document was signed by Gennadiy Seleznev, State Duma chairman, Yegor Stroyev, Federation Council chairman, and Syamyon Sharetskiy.

[begin correspondent recording] Yegor Stroyev and Gennadiy Seleznev, heads of the chambers of the Russian Federal Assembly, and Syamyon Sharetskiy, chairman of the Belarusian Supreme Soviet, called on the parliamentarians of the two countries to unite today. They signed an agreement on setting up a mixed inter-parliamentary commission to pave the path of Russian-Belarusian rapprochement through joint ventures approved in the 2 April treaty. The commission will meet once a fortnight in Moscow and Minsk, and each side will chair the meetings in turn. [passage omitted]

The executive committee of the Community will deal with economic issues. It will meet for the first time tomorrow [12 April] [end recording]. [passage omitted]

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Political Issues

Russia: Yeltsin Receives Procurator General, Bashkir President

LD1204112096 Moscow ITAR-TASS in English 1052 GMT 12 Apr 96

[FBIS Transcribed Text] MOSCOW, April 12 (Itar-Tass) — Russian President Boris Yeltsin discussed the social and economic situation in Bashkiria with Bashkir President Murtaza Rakhimov on Friday. Yeltsin also received Russian Procurator-General Yuriy Skuratov who, specifically, reported to the president about the investigation of a number of crimes. The presidential press service reported this on Friday.

"The general socio-economic situation in Bashkiria and priorities of regional policy were discussed with the Bashkir president," the presidential press service reported.

During the conversation with the Russian procurator-general, Yeltsin and Skuratov discussed preparation for an all-Russian conference on combating crime and problems of coordinating actions of law enforcement agencies, the press service reported. The procurator-general reported on the investigation of a number of crimes affecting society. A number of such cases are under the president's control, the press service reported.

Russia: Yeltsin Adviser Discusses 'G-8' Summit, Clinton, Dudayev

MK1204092496 Moscow NEZAVISIMAYA GAZETA in Russian 12 Apr 96 pp 1-2

[Interview with Dmitriy Ryurikov, foreign adviser to President Yeltsin, by Dmitriy Gornostayev; place and date not given: "The Edict Is Insufficient"]

[FBIS Translated Excerpt] [Gornostayev] Dmitriy Borisovich, a "G-8" summit on nuclear security is due in a week's time. For the first time the heads of the world's leading powers will hold a forum in Moscow. What results can be expected from this conference?

[Ryurikov] The upcoming summit will make a serious and detailed analysis of the situation in civilian nuclear engineering, state security, and the illegal circulation of nuclear material. Decisions will be made on problems of concern to the "G-8" members and the world at large insofar as concerns nuclear engineering in general. I believe that this summit will, to a substantial extent, shape the future of nuclear engineering which, according to its participants, is still quite secure and effective.

The summit will not be confined to nuclear security matters. Boris Yeltsin will have bilateral meetings with each of its participants.

[Gornostayev] Presumably, negotiations between Boris Yeltsin and Bill Clinton will be of the utmost interest. What questions will they discuss?

[Ryurikov] I believe that all meetings between the Russian president and each of the summit participants will have their points of interest. As regards Clinton, there is a long-standing agreement that his meeting with Yeltsin will be the longest; that is, it will be not simply participation in the "G-8" activities but a working visit. This working visit is scheduled for the first half of 21 April. The meeting will take place in Novo-Ogarevo. Naturally it will discuss disarmament, European security, and bilateral economic and cultural contacts.

I think that this will be a very important meeting for both presidents, who are already in the midst of election campaigning. As far as I know, both presidents intend to maintain the relations between Russia and the United States as they have progressed until now, protecting them from the impact of election struggles.

[Gornostayev] In this context, noteworthy are U.S. press reports about a confidential meeting between Yeltsin and Clinton during the forum on terrorism in Egypt where they purportedly reached agreement about mutual support in the presidential elections. How would you comment on these reports?

[Ryurikov] You know, it is difficult to imagine the U.S. President supporting the election platform of the Russian president and vice versa. This is in effect impossible.

[Gornostayev] You mean that there have been no such negotiations.

[Ryurikov] No, there have been no such negotiations. This is also impossible either in correspondence or phone conversations. Generally speaking, it is rather strange that such reports appear in the first place. I think that each president will answer for himself.

But, of course, there is some interrelation between the Russian-U.S. dialogue and the chances of each president for success. If the voters in each of the two countries see that their president has successful relations with the other country, they conclude that things are going well in this particular sphere, and if so, it is a plus. [passage omitted]

[Gornostayev] Recently yet another international aspect of the Chechen issue has surfaced. President Yeltsin said that contacts and negotiations with Dzhokhar Dudayev are possible through intermediaries, including influential politicians of the Arab world. Would it be possible to specify who in fact is involved?

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[Ryurikov] Not as yet, no. Because mediation calls for consent by two parties. I would say that there is no shortage of influential intermediaries. I think that in the next few days, after all the options have been discussed, names will be named. But so far this is a diplomatic process which is of a confidential nature. This is a very delicate sphere where premature disclosure of an initiative or a name would be inappropriate.

[Gornostayev] How are your relations shaping up with the Foreign Ministry? How do you assess the current level of coordination of Russia's foreign policy?

[Ryurikov] Generally speaking, foreign policy coordination, unfortunately, remains a problem. There have been some shifts for the better here. The fact is, however, that a recent presidential edict concerning the Foreign Ministry's leading role in all foreign policy matters is not enough. This also calls for daily painstaking work by both the minister and his colleagues. Naturally, with support by other players in the foreign policy process. This work is in progress. I believe that it has already helped improve the situation. But so far I cannot say that everything is perfect.

Russia: Defense Industry To Support Yeltsin in Elections

LD1104162396 Moscow INTERFAX in English 1531 GMT 11 Apr 96

[FBIS Transcribed Text] MOSCOW, April 11 (Interfax) — Russian President Boris Yeltsin can count on the support of the heads of defense industry enterprises in the presidential elections due in June.

A shift of power to opposition forces would not only be inexpedient but even dangerous in the present situation, said defense industry enterprises' heads meeting with Yeltsin at a major Russian defense industry plant, Energomash, in the Moscow region town of Khimki. At the same time, they put forward certain proposals to the president, which they said could begin to be implemented even before the elections.

In particular, they insist on state protection for competitive high-tech products of the military-industrial complex, both on the domestic and international markets.

They also demand support for major areas of scientific and technological research and upgrading of the industry, which would ensure both the competitiveness of the domestic production and national security.

The third condition is that the government fully and timely finance high-tech production under the conditions of state orders. The military directors also asked for state guarantees for loans and international contracts for defense enterprises undergoing conversion to the production of civilian goods.

During the meeting, Yeltsin gave a high assessment to the achievements of Energomash, which has successfully adapted to the market. In particular, he praised the company's approach to privatization. Yeltsin expressed satisfaction over the fact that Energomash is successfully competing with the world's major companies on the rocket engine market. "I think it is clear to everyone that such billion-dollar contracts are not only a matter of economics but of politics as well," he said.

Yeltsin voiced categorical disagreement with those who believe that the immense scientific and industrial potential of the Russian military-industrial complex is a burden for the national economy. "On the contrary, the military-industrial complex is largely the basis for the technological modernization of the whole of Russian industry and, hence, for raising the living standard of the population and for turning Russia into a leader on the international market," he said.

According to him, "natural cooperation within the defense industry" will allow Russia to compete not only on the international space and military market but in other areas as well, for example in the production of equipment for the fuel and energy industry, the agro-industrial complex and the medical industry.

"Moreover, such a union of forces allows us to embark on world-scale projects, including the creation of a global space telecommunications system or a new energy industry based on the use of liquefied natural gas. These projects put forth by Energomash are worthy of Russia," said Yeltsin.

He said the state is prepared to give guarantees for loans under defense industry programs, so that such enterprises could carry out large-scale projects, including international ones.

During the visit to Energomash, Yeltsin was accompanied by First Deputy Prime Minister Oleg Soskovets and First Deputy Defense Minister Andrey Kokoshin.

Russia: Yeltsin Seen Determined To Keep Power

MM1104164696 Moscow SOVETSKAYA ROSSIYA in Russian 9 Apr 96 p 2

[Commentary by Vladimir Isakov under the "Parliamentary Diary" rubric: "Inept Peace"]

[FBIS Translated Excerpt]

It Was Fine on Paper

On 31 March B. Yeltsin signed and ceremonially announced on television the edict "On a Program for

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Settling the Crisis in the Chechen Republic." From it surprised citizens learned that "actions to disarm and neutralize the major bandit formations and terrorist centers have been completed" and the "reestablishment of constitutional order in the Chechen Republic is entering its final phase." According to the edict, military operations on the territory of the Chechen Republic were to cease at 2400 and from that moment a "staged withdrawal" of federal troops would commence.

The statement was read (judging by the way his head turned) from two autocues. Then journalists began to put questions directly to Yeltsin and the country saw him as a lost, hesitant man, trying to justify himself.

At the same time television showed the reaction of Dudayev's gunmen to the statement in the reportage: They were ecstatic! And well they might be. Their enemy was demoralized, making conciliatory gestures, in fact begging for mercy!

I can imagine the morale of the enlisted men and officers who were first plunged into an incomprehensible and unnecessary war and are now being forced to lay down their lives in order to ensure that there is "peace and harmony" by the time of the election. On the basis of individual speeches and articles a mood of "we're fighting the wrong people" seems to be gaining strength in the Army.

In spite of all the obvious failures of his domestic and foreign policies, it is actually the Chechen war that has become Yeltsin's main problem. He is ready to end it today at any price. The other side understands this too and will not give in without exacting a price. And the price will be extremely high.

In White Without Frills

Strange things sometimes happen to important documents. In its draft, the treaty between Russia and Belarus was called the "Community of Sovereign Republics," abbreviated to "SSR." The mass media trumpeted this around the whole world. Then there was a pause.... An indistinct mumbling.... Then the treaty appears under a new name — the "Community." Just that, no frills.

The subtext of what took place is more than clear: They wanted to please the public, throw a sop to supporters of integration. But lost their nerve at the last moment.

The situation is strongly reminiscent of December 1992, at the Seventh Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies, when Yeltsin roused the public in support of Gaydar and then "abandoned" him in favor of Chernomyrdin. At that time the "democratic" deputies were walking about in a demoralized and humiliated frame of mind, sad to behold. Now the same thing has happened again. First an international scandal develops over the Duma decrees and it is showered with invective and derision for attempting to "reestablish the USSR," then two weeks later a "community treaty" is ceremonially signed. As a result Yeltsin's supporters look like absolute fools and "faithful puppy dogs" who are ready to launch themselves at anyone on his orders. Which is actually not so far from the truth.

The press has not forgiven Yeltsin for this. Reports on the treaty and its future prospects are being composed in a restrained but detached tone. All efforts are being made to emphasize the "economic burden" that Russia will bear in connection with unification, and Belarusian President Lukashenka is more or less being portrayed as the dictator of a banana republic to whom "decent folk" will not extend their hands. In short, this action has not yet paid Yeltsin any real ideological dividends whatsoever.

The treaty itself consists 90 percent of general phrases and fine intentions. In the military sphere, for example, it is envisaged that: "The sides devise general principles for military organizational development and for the use of military infrastructural elements in accordance with national laws" — but no more than this. Article 7, which is concerned with the monetary and financial system, cautiously says: "Conditions are being created for the introduction of a common currency." And so it goes on throughout the whole text. That is all this will have to be implemented in specific documents and legislative acts, always provided that no serious difficulties develop between our countries and their leaders.

Despite all the outward pomp, the signing of the quadrilateral agreement (between Russia, Belarus, Kazakhstan, and Kyrgyzstan) and the bilateral agreement (between Russia and Belarus) was organized in a very strange manner: The treaties' texts reached parliament literally several hours before their signing and neither the public nor the deputies nor even the chambers' leaders had seen them. So you see how "momentous decisions" are made.... Nevertheless the State Duma did not strike a pose and adopted a decree by a majority of votes which supported and approved the first timid steps toward integration.

Belarusian President A. Lukashenka has been elected chairman of the newly formed interstate organ, the Supreme Council, for a two-year period. To everyone who knows B. Yeltsin's character, his inexorable thirst for power, and his active rejection of any authority that is independent of him, it is absolutely obvious that this "interstate organ" will have no real influence.

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You have the eternal problem of big-time politics: How can you become "just a little bit pregnant" and at the same time "preserve your innocence"? [passage omitted]

Premonition of Civil War

The closer we get to the election, the greater the alarm and concern engendered by the way events are developing.

B. Yeltsin is well in charge of an anticommunist campaign. In practically every speech he makes and at every one of his meetings he "hurls" the most terrible accusations at his political opponents, going as far as to claim (at the meeting with Clinton in Sharm al-Shaykh): "They would go so far as to kill people. All that is in their genes."

We are no longer in the realm of polemics: This is war. When a political opponent is portrayed as a "bloody monster" and hatred is incited against him by all available means, this has become a "cold" civil war which is one step removed from the "real thing."

The present authorities' desire to dispense with elections is absolutely obvious. A year ago, a B. Yeltsin edict extended the powers of administration heads and allowed the regional legislative assemblies to do so. It is not right to exaggerate the degree to which our present officials are law-abiding, indeed many immediately took the opportunity to remain in power without new elections. Legal suits got under way all over the country on the revocation of decisions to extend their powers.

The parliamentary elections were by some miracle held on time, although practically all decisions (in accordance with the law on elections, electoral district boundaries, the procedure for the formation of the upper chamber, and so on) were adopted in the final days and hours of the old term of office. Deputies succeeded in beating off a fierce attack by supporters of a postponement of the elections even though the then speaker of the chamber supported this idea enthusiastically.

Recently feelers were put out, this time about postponing the presidential election. The powers that be in the Kremlin were greatly worried by the question of how the West would react. The West reacted badly. It is not in President Clinton's interests for democracy to be so openly violated in Russia on the eve of the U.S. presidential election.

It is becoming more and more obvious that Yeltsin is ruling the country as he once did the Sverdlovsk Oblast [CPSU] Committee: He does everything he wishes in his own "fiefdom" but goes to the "capital" to consult on the most important issues. Standing beneath a model of the Russian flag (with its end "fanned out" like the tail of a comet) at the first congress of his supporters in Moscow, he once more confirmed: "At this decisive moment I do not have the right to let go the helm of the Russian State. This cannot happen!"

The country has been led into a mire of lawlessness, and they are trying to convince us that it has no other choice. All privatization and the land reform are upheld by edicts. The country does not have legal symbols of state power, because they too are upheld by presidential edict. Even the orders and medals that are ceremonially awarded in the Kremlin halls are devoid of a legal basis, because they are not confirmed in law. A new president will come along, the country is told, and will repeal everything; therefore vote for the current president! Unfortunately the current president will not be here for ever and will fall from power some time. What then?

In its hopelessness, this situation is reminiscent of that at the beginning of the century in Russia. An aggressive minority is protecting its own property and trying to keep hold of power through cunning, deceit, and force. If they succeed, what lies in store for the country is repression or war. If they do not succeed, there will be a period of struggle and instability. Likewise, no good will come of this. Russia's rulers reproduce with depressing regularity situations in which force seems to be inevitable and the only means capable of resolving political differences.

Russia: Ryabov Remarks on Yeltsin's 'Respect' for Election Law

MM1104160496 Moscow ROSSIYSKIYE VESTI ("Political Wednesday" section) in Russian 10 Apr 96 p i

[Unattributed interview with Central Electoral Commission Chairman Nikolay Ryabov; place and date not given: "Election Shows New Ethos of Power"]

[FBIS Translated Text] Last week the Central Electoral Commission registered Boris Yeltsin as candidate for the post of Russian Federation president for a second term. The current president went in person to No. 10 Ilyinka Street to get his candidate's certificate. The Central Electoral Commission conference hall had never seen so many high-ranking politicians at once: The participants in the coordination council for conducting Boris Yeltsin's election campaign and his official representatives were present at the registration. When our correspondent spoke to him, Central Electoral Commission Chairman Nikolay Ryabov drew attention to the fact that civilized standards of political interaction are now becoming part of our lives, frequently imperceptibly.

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[Ryabov] A new political ethos has been demonstrated — not for the sake of publicity, note, not for the purposes of the election campaign, but as an organic characteristic of power. On the one hand there is the uniform approach to all the contenders for the presidency. On the other hand there is the Russian president's respectful and consistent line aimed at ensuring that democracy and the rule-of-law state exist not only in words but also in fact.

Remember the unwritten but unfailing rule whereby the "number one candidate" used to be handed his certificate in hisoffice. That was the pinnacle of democracy Soviet-style. Now, as a result of joint efforts, we are moving into a different political environment — a really democratic one. Of course this cannot be done overnight, but, once they have reflected for a while, Russians may notice that they are already in a different legal environment, extending from the protection of consumers' rights to the defense of constitutional rights and guarantees for citizens.

Last year we survived over 100 trials connected with elections, and there have already been 15 this year. That is why you can say various things, you can sling mud, but I can see that legal instruments which people were not familiar with before are now in operation.

The very fact that the Russian Federation president has visited the Central Electoral Commission — and Yeltsin is not only a presidential candidate, he is also the current president — testifies to the colossal changes for the better which have occurred in society. As does the fact that the president is drawing up and publishing a declaration of income. And that he has even presented the Central Electoral Commission with a certificate indicating the payment of a fine for a small mistake in calculations regarding the payment of taxes discovered by an ordinary tax service inspector. No doubt the head of state has the opportunity to conceal such trifles, and in the past that is what used to be done. But the president is hiding nothing from the electorate, who, like him, are learning to work in a different way today, calculate income, pay taxes, and so on. Such formal things sometimes say more about changes in our lives than do big events.

[ROSSIYSKIYE VESTI] The election campaign is entering its most active phase. What does the Central Electoral Commission see as most important in the experience of previous elections?

[Ryabov] We have analyzed the experience of the State Duma elections very thoroughly, and we have drawn conclusions, made recommendations, and adjusted actions in various spheres in a particular way. This applies to the participation of sociologists and the mass media in the election campaign, and it applies to legal practice. I would particularly like to emphasize an organizational lesson: Electoral commissions must not be overburdened by holding federal and local elections at the same time. We will firmly insist that — with rare exceptions — no elections will be held 16 June apart from the presidential election. We must not exploit the sense of duty of electoral commission staff, particularly in the electoral precincts, or place them in emergency conditions and so create preconditions for mistakes or violations of citizens' electoral rights.

[ROSSIYSKIYE VESTI] It is less than 70 days until the election, but talk of its being canceled continues unabated....

[Ryabov] If you remember, it was the same thing right up to 17 December, the day of the State Duma elections. We know who started this talk. After all, claims about the falsification of the constitutional referendum results are still being made now. It is mainly the Communists who are initiating these rumors. Why? It is clear why: They need to prepare a political platform so that if they come to power, they can state: We are annulling the Constitution because it appears to have been falsified. Although no one has presented any proof. But they are constantly stirring up public opinion. Just in case. Or else they have long-term plans to create some kind of crisis situation themselves and point the finger at someone else, someone innocent. This is more or less what happened with the Belovezhskaya accords: The CPSU leadership destroyed the USSR, frustrated the signing of a new union treaty, and then blamed the three presidents for everything, even though they in fact had tried to stop any further disintegration by creating the CIS....

[ROSSIYSKIYE VESTI] Do you foresee difficulties during the election campaign?

[Ryabov] We are faced with very difficult tasks. We have to try to make sure that all the candidates can put forward their programs and political platforms as fully as possible. But at the same time we will rigidly make sure that no violations occur during the election campaign. For example, the law obliges all candidates performing state service to take leave. The only person to whom this does not apply is the Russian Federation president because he can transfer his powers only in cases strictly determined by the Constitution. All the other candidates are obliged to take leave. This applies to deputies as well. They must realize that, if they fail to do so, they will find themselves in conflict with the law. Only the president can conduct an election campaign at the same time as performing state duties. Even his top aide in the election campaign must leave his job during

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this period. In fact he has already done so. So even here the president is showing respect for the law.

Although I must say that this issue is not fully stipulated in our legislation. The law contains only one line on what officials can and cannot do in an election campaign: They cannot exploit their official position. For the sake of comparison, I would say that in U.S. legislation a huge tome is devoted to this. Our legislators are always ranting about violations of the law, but they themselves have not carried out their task in this respect.

[ROSSIYSKIYE VESTI] Will electoral legislation change?

[Ryabov] I think that it is vital to improve it. The Central Electoral Commission initiated the creation of a working group made up of representatives of all the branches of power, experts, and specialists to fine-tune the electoral laws. The group has already started working and the main sphere has been determined. It means not only improving the current laws but also working on the issue of putting an extra section into the Constitution, regulating questions of the electoral system in Russia. Electoral legislation should be comprehensive; there should be no gaps in it. It is only on that condition that serious problems can be avoided in conducting elections and minimizing lawbreaking.

Russia: Chernomyrdin: Chechen Settlement Not Tied to Elections

LD1104172096 Moscow ITAR-TASS World Service in Russian 1616 GMT 11 Apr 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] Moscow, 11 Apr (Itar-Tass) — The work of the state commission for a peace settlement in Chechnya "is not tied to the presidential election timetable in any way," Russian Prime Minister Viktor Chernomyrdin, head of the commission, said in an interview with ITAR-TASS. In this way, the prime minister indicated that the commission has not been given the task to solve the Chechen conflict by 16 June.

In this connection, Chernomyrdin stressed that the end of the fighting and stabilization of the situation in the republic should be achieved "the sooner the better," but nothing can be said about any specific maximum timetable. The prime minister said this could be achieved earlier if it was possible. However, "the other side does not want to sit down at the negotiating table," he said. At the moment, the negotiation process continues and realistic steps are being prepared to make contact with people close to Dudayev. At the same time, the so-called "peace zones" set up by tripartite agreements in the Chechen settlements are expanding.

Russia: Fedorov's Supporters Submit Signatures to Commission

LD1104114496 Moscow INTERFAX in English 0926 GMT 11 Apr 96

[FBIS Transcribed Text] Moscow, April 11 (Interfax) — More than 1.7 million signatures have been collected in 58 regions of the Russian Federation in support of eye surgeon Svyatoslav Fedorov's bid for presidency.

A Fedorov action group submitted the signatures, as well as a letter of consent and a tax declaration for 1994 and 1995, signed by Fedorov, to the Central Electoral Commission Thursday.

A spokesman for the Fedorov action group told Interfax that Fedorov enjoys maximum support in Chuvashia, the Krasnodar Territory and the Volgograd and Novosibirsk Regions.

Russia: Zaveryukha Interviewed on Poultry Dispute, Farm Issues

MM1204113196 Moscow SELSKAYA ZHIZN in Russian 4 Apr 96

[Interview with Aleksander Zaveryukha, deputy chairman of the Russian Government, by Mikhail Sharov, first deputy chief editor of SELSKAYA ZHIZN: "Aleksandr Zaveryukha: 'I Was and Still Am a Farmer'"]

[FBIS Translated Text] [Sharov] Aleksandr Kharlampiyevich, recently there have been many events associated in one way or another with your name and with your responsibilities in the government. Allow me to ask you the first and perhaps most vital question as far as country people are concerned. For some years now, essentially since the start of the reforms, the theme of protection of Russian commodity producers against expansion (no other word for it) by foreign goods and foreign commodity producers has become increasingly controversial. But I have the impression that the more we talk about this disease, the more introspective we become...

[Zaveryukha] I want to say that food imports did not begin with the reforms — they were actively implemented in the old years, in the Union. Remember 1992 — the country really was on the verge of running out of food and feed grain. Of the 56 million tonnes of grain consumed 28.8 million tonnes were imported. We also used to buy large quantities of meat and dairy products. This has now been forgotten for some reason. Prices of our own products were low then. Imported goods were more expensive. In former times food production was subsidized, with large funds allocated from the Union budget. But when we liberalized the foreign economic market and, effectively, the domestic

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one as well, prices rose sharply, including those on the food market. I joined the government in 1993, when market fever was already raging.

The policy was to refuse to give any support to the agrarian sector or to allocate preferential credits to the countryside. Do you remember the discussions and debates with Mr. Fedorov at the time over whether or not to allocate credits to the countryside? Do you remember the labels that were pinned on me at the beginning, when I defended the agrarian sector? But it was a mismatch — nearly the entire central press was on Boris Fedorov's side. Although I knew that the Russian countryside cannot live without support.

And not only our countryside — all developed countries give the agrarian sector substantial support. But we were ordained to do so by God himself, so to speak. At the moment the policy of the state and of our legislative organs does not favor agriculture at all — this has to be admitted and plainly stated. It is with regret that we are forced to state today that even some State Duma and Federation Council deputies merely talk about the need to help the countryside. Recently I reported to the Federation Council on the state of the food market. It is a very acute problem, but it was all turned into a debate and no more than that.

The tendency now is to say that our agriculture is incapable of competing on the food market with the more highly developed countries and therefore, apparently, we have to steer a course toward purchases of imported goods. But no one will appreciate that our country's agriculture operates in special conditions, since it is a northern country. There are the natural and climatic conditions. There is the inadequate equipment. Which means there is too much expense involved in production. For example, can one really compare our dairy production with that of Spain, the United States, Australia, and New Zealand, where there is no winter to speak of. But we have eight or nine months of winter. So we have to build large-scale livestock units, use up a great deal of power and heat, and stock up with feed.

That is why the question of protecting our commodity producers arose. But this is not yet fully in place, despite some decisions by the government. As the years have gone by we have raised customs duties. At the moment they are 20 percent for dairy products, 25 percent for meat, and around 45 percent for poultry meat.

But, in tackling this problem we immediately encounter another. The more we raise customs duties, the more food is subsidized by exporting countries, which are teaching us a graphic lesson in protecting their commodity producers and in fighting hard for sales markets. In all likelihood, we will have to raise with the government and legislative bodies the question of quotas for imported agricultural products. I do not see any alternative.

[Sharov] Aleksandr Kharlampiyevich, I personally do not understand journalist colleagues on publications that treat the peasantry, commodity producers, and our national interests in general outrageously. Sometimes you get the impression that they are more concerned with certain commercial clans and financial groups than with Russia's interests.

[Zaveryukha] Nowadays the media here are very free. But they are as free as they are dependent on our rich, what we call new Russians, including commercial structures. They are protecting the interests of corporate groups rather than Russian interests. Let me tell you that there is a direct link between the main supplier of imported food — "Soyuzkontrakt" — and many central publications. There are other powerful commercial structures as well which are telling their obedient journalists what to say.

I have to say that when the press lobbies for a foreign rather than Russian commodity producer it is doing home consumers a great disservice. Indeed what would the destruction of Russian poultry farming, for example, mean? The Americans are supplying us with chicken legs separate from the main carcass, and they are putting the entire cost into the cost of the carcass.

They are supplying Russians with these legs effectively at dumping prices, thus undermining our current market and destroying our poultry farming. Tomorrow, when we have finally demolished this sector, the Americans will be demanding that we pay quite a different price. We will be eating these legs forever, like bones from the master's table. Do we really want this? Moreover, if we curtail our own production we will create unemployment in the countryside and new breeding grounds for social tension. I would point out that an unemployed person in the countryside has nowhere else to go — he will have no alternative but to become a highway robber. Do we want to turn the countryside into a crime blackspot?...

[Sharov] Your stance deserves great respect with regard to this part of the problem. But I get the feeling that it is not the government that is bossing the show in the Russian food market, but the actual manufacturer of "Bush's legs" — indeed, the "chicken war" resulted in a resounding defeat. The government's stance in this sphere was very inconsistent and by no means everyone heeded what I believe were legitimate demands on the part of the veterinary department. I want to say something else as well — about what we are being supplied with by America. Essentially we are getting

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is something that is unsuitable for them. Indeed, as we know, when poultry are subjected to intensive feeding, all the most harmful substances, including heavy metals, are concentrated primarily in the extremities, that is, the legs.

[Zaveryukha] As for the first part of the question, I would not say that the government did not display consistency over the "Bush's legs" affair. As for my stance, I wholly supported the demands of the Agriculture and Food Ministry's veterinary department. It made legitimate demands that there should be a certificate, particularly for salmonellosis, which is very widespread in the United States. Recently REUTER printed an article which said that around 5 million people get this disease in America every year, and 4,000 die. How could I not support the veterinary service's demands? Let me tell you that neither the government chairman nor anyone else can take responsibility for the possible consequences.

As for the second question, certainly you can find a whole cocktail of undesirable elements in "Bush's legs," and that is why our veterinarians stood firm and placed obstacles in the way of the poor-quality products.

[Sharov] Aleksandr Kharlampiyevich, I would like to hear your views in connection with the recent edict on land. Above all, I want to express my bewilderment: Come spring, all manner of things inevitably start to stir. There was the well-known Presidential Analysis Center memorandum two years ago, and last year at the same time there was the attempt to hold a referendum on land. Now the question that is being raised is: How is land to be shared out, how do you divide it up? Was it really so essential that this document should be issued now, on the threshold of the spring field work, rather than in, say, November-December last year, to give people time to take it in, to resolve organizational matters?

[Zaveryukha] Everyone appreciates that land arrangements are the basis of reform in the agrarian sector. It is not a new question — indeed, private ownership of land was declared in the 1990 Constitution. The Constitution that was adopted in the referendum in 1993 also proclaimed private ownership of land. And throughout this period — almost six years — agriculture has been operating without a basic framework law to define land arrangements. We are talking about a Land Code. Effectively, this code has not existed since 1990. The one that was adopted in 1992 is defective and did not satisfy anyone. All matters were resolved by presidential edict. The edict "On the Exercise of Citizens' Constitutional Rights to Land" is no exception, since I do not believe a Land Code will be adopted in the very near future.

Can we tolerate a situation in which practically all circulation of land has ceased, including in collective farms themselves and between collective and private farms. Yet on top of all the current problems in the economy we are reducing agricultural crop yields every year. We are cutting crop areas, what is more. Over 21 million hectares of agricultural land are practically unused at the moment. Some 10 million of these are arable.

Let me tell you that it is not all due to agricultural production difficulties and equipment shortages. It is much more complicated than that — because of the generally unfavorable situation arable is being abandoned. Therefore the president's edict is in no way linked to the political situation and will not lead to any reorganization, let alone of collective farms. Moreover, the edict strengthens the positions of leaders and specialists and they are allowed to have a parcel of land and engage in private farming. This indicates once again that no one is encroaching on collective land. Some 94 percent of all agricultural owners now have their own shares. They are entitled to manage this property, which includes selling it. Why, for example, is an old woman, who has slaved away for peanuts all her life, unable at the moment to sell her share to her own collective when she goes to the city to live with her sons? The edict of the Russian president stresses: first and foremost to the collective. And only for the purpose of agricultural production.

This edict will in no circumstances lead to the destruction of collective farms. It will lead to the start and improvement of the circulation of land for the purpose of its efficient use. Why can't a kolkhoz that is operating efficiently buy more land today from those next door who have already thrown in the towel, so to speak? Why can't, for example, a poultry farm or stockraising complex buy more land? The sole purpose is to bring as much land as possible into circulation. I make no secret of the fact that I drafted the edict. The original version was more radical in some of it provisions, but in other cases it was just noncommittal. As far as my experience of working on the land, in particular as a farm boss allows, I tried to express in the draft edict a realistic view of the current situaiton in agriculture.

I am more than confident that there was simply no other way of somehow improving land arrangements and creating owners, including collective owners.

I believe this edict will enable us to move forward in the sphere of land arrangements ands agricultural production reform. Quietly and without any upheavals. It means that we have to pay closer attention to our main asset — land. This applies particularly to leaders of agricultural bodies and the rayon level of management.

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[Sharov] We have touched on a very important topic which we could discuss, even argue about for a long time. For instance, I very much doubt whether privately owned land is bound to provide a high return — as indicated, incidentally, by our private farmers' work practice. When products grown and produced by peasants even on there own land remain unused, it seems to me the labor is basically pointless....

[Zaveryukha] I would not say that is exactly the way it is. All the grain has effectively been put to use and all the vegetables, all the potatoes and sunflowers, and all the sugar beets have been put to use. We only have problems at the moment with livestock products, which, I must admit, are uncompetitive. They are uncompetitive not only with faraway countries, but even with CIS countries. How can they compete when, for example, last year the milk yield per cow in Russia was 1,900 kg. Indeed there are farms where the yield is only 800 kg. I mean, even a goat provides more than that. So are we to gear ourselves to that kind of productivity and construct our price policy accordingly? No budget would survive if we were dragging farms like those behind us! Certainly there are problems with sales, but the peasants themselves must take a critical look at their own work.

Since we are talking about production, there are great problems in Russia not only in that area, but also in reporting. The era of strictly regulated reporting has been replaced by the era of uncouth and irresponsible leaders at all levels, who simply mislead us when calculating food resources. Suffice it to say that last March, if you believe the reports, the country had run out of bread grain. But we survived until the new harvest and we have 8 million tonnes left over. Again, today, there is no more grain, according to the balance sheet, but do you see any "bread" riots? Therefore there is no point talking about the tragedy people are trying to create. Although, of course, it would also be very rash to underestimate the gravity of the crisis.

A draft presidential edict on economic support for agricultural commodity producers is currently being prepared. The intention is to write off the 1993-1994 credits for agricultural commodity producers and, maybe, the commodity credit in 1995. Toward offsetting the discrepancy that had developed between prices in agricultural and prices in industrial production, as a result of which farmers have lost 185 trillion rubles [R] in four years of reforms. I think the president will go along with this. Incidentally, I talked about it with him. He reacted positively to this request. We will certainly also be putting to the president measures on support for private farmers: On the basis of leasing funds we will make it incumbent on agricultural and local bodies as a direct consequence of the edict to provide private farmers with equipment: a row-crop tractor per 30 hectares, a tractor-cultivator per 50 hectares, a combine and a truck per 100 hectares. People have embarked on a difficult and important job and we are obliged to back this movement at state level. We will help the farmers set up their own insurance companies and their own leasing fund and we will implement a number of other important measures.

[Sharov] As you know, the farmers recently picketed the government building in Moscow. According to witnesses, it was it pretty large demonstration. Representatives of a number of Russian territories expressed their dissatisfaction with the situation in the agro-industrial complex. No doubt your are acquainted with their demands, so how do you view them?

[Zaveryukha] Yes, I am acquainted with the farmers' demands. They are tough. But you have to agree with the majority of them. I mean, can you really argue with a demand for the prompt and full allocation of budget appropriations for the agro-industrial complex? Or, say, paying off debts to budget-sector organizations, including higher educational establishments and tekhnikums? Or take the discrepancy between industrial and agricultural prices, which leads, essentially, to the curtailment of the production process in agriculture.

The farmers are right also to raise the question of resolving the nonpayments problem as soon as possible.

But these demands also raise controversial questions. That is why during the meeting I held on the same day with representatives of the pickets we had a substantive and detailed discussion of everything. And it is reassuring that we found mutual understanding, in principle, on many problems. Most important, people realize that the crisis in agriculture is a consequence of the general economic crisis. Therefore it is necessary to pool everyone's efforts to overcome these negative phenomena in our country as soon as possible.

[Sharov] Will this year be a good one, and I am talking primarily about the agro-industrial complex, in terms of solving the crisis?

[Zaveryukha] We live in hope. And despite the economic difficulties, I would say a great deal has been done for the next harvest. Although the first month of spring, and indeed the beginning of April have been a worry for farmers. In southern parts spring was at least two weeks late. This will hinder progress in field work, of course.

But there is another danger elsewhere. According to some figures, in a number of the country's main

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agricultural areas it is not inconceivable that the May-July period will see above-average temperatures and a lack of rain. Now this is serious. Particularly when we are short of mineral fertilizers and plant protection agents. But let us not start getting pessimistic yet.

[Sharov] The final question, Aleksandr Kharlampiyevich. There is much talk about your suspension of your membership of the Agrarian Party. What is behind it? What are the reasons?

[Zaveryukha] First I want to say why I joined the Agrarian Party. I firmly believe that farmers must have a centrist political force to protect their interests, which have always been violated, as they are today. In terms of the price discrepancy, the neglect, the lack of social provision for the countryside.... Therefore I am firmly convinced that the Russian state must have a political party representing the farmers.

Now for your question. I work in the government and I adopt a moderate stance. The presidential election is coming up and the Agrarian Party, without consulting me, as a member of the party board, announced that the Agrarian Party would be forming a bloc with left-wing forces.

I was put in an ambiguous position and I had to make choice: Either stay in the government but suspend my membership of a party in opposition to the government and president, or stay in the party leadership and leave the government.

I chose the former option. While retaining my views and consistently and firmly upholding the interests of the countryside, I asked the party board to take a human view of my situation and suspend my membership of the Agrarian Party for the moment. The board did not consider my request in the light of the prevailing situation and expelled me from the party.

What can I say about this? I was and I remain a farmer. In the government I will make every effort to protect and uphold the interests of the countryside and the peasantry.

[Sharov] Thank ye

Russia: NDR Leader Belyayev Interviewed

964F1732A Moscow DOM I OTECHESTVO in Russian No 2, 30 Mar-5 Apr 96 p 3

[Interview with Sergey Belyayev, leader of the Russia Is Our Home faction, by Aleksey Morgun; place and date not given: "You Can See Red Square From a Duma Window: Who Needs Big Upheavals in the State Duma?"]

[FBIS Translated Text] [Morgun] Sergey Georgiyevich, how might you represent the business card of the faction of Russia Is Our Home deputies in the State Duma?

[Belyayev] We have already been christened the president's faction.... Of which I and my colleagues are even proud, for that matter. For being the president's faction in the State Duma means putting above all else the adoption of laws that can move Russia forward along the path of reforms and being professionals. And under no circumstances flirting with the forces that are prepared to take Russia back to the Procrustean bed of communist dogmas.

And one further way in which we are fundamentally different from other factions: They have already turned the Duma meeting hall into a kind of proving ground for campaign battles. And in the ardor of this struggle, for the sake of momentary tactical interests they are prepared continually to rearrange their ranks and to unite for a day in order by evening to have broken off relations once more.... So-called "big policy," in which there is no room for just one thing—concern for the interests of Russia and its electorate—is in vogue.

[Morgun] You are hinting at the well-known occasions when either Yabloko or the LDPR have voted concertedly with the Communists?

[Belyayev] Yes, and I believe that in all these episodes there has been just one winner—the CPRF. Parties and movements flirting with Zyuganov from purely tactical considerations altogether remind me of credulous lambs. They are invited to a home for a noisy feast. And when they arrive, they discover that it is packed with guests and that rivers of wine are flowing. The only thing missing is the shashlik....

[Morgun] Everyone knows about the Duma decree on the virtual denunciation of the Belovezhskaya agreements.

[Belyayev] From the Duma podium I have already called this document legally worthless, which caused an allergic reaction among the communist majority in the hall. I cannot say anything other now either. The action conceived and staged by the CPRF is not a surprise but a natural occurrence, which was brought about primarily by the fact that the Duma platform is being used increasingly intensively by the "left flank" as a basic instrument of the presidential election campaign which has started.

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[Morgun] But the well-known lawyer Lukyanov disagrees with you. He said on television, in effect, that the Duma decree is legally valid....

[Belyayev] Yes, I heard these statements. And this is explained by the fact that Lukyanov has a rare specialty for a man of his profession: party lawyer. I would note, generally, an amusing and significant fact: Among those who supported the denunciation of the Belovezhskaya agreements were the lawyer Lukyanov and the lawyer's son Vladimir Zhirinovskiy. The family firm of the CPRF and the LDPR, perhaps?

[Morgun] After literally the entire CIS had been shaken to its shoes by the appearance of the well-known decree of the State Duma, Gennadiy Seleznev, speaker of the lower house, issued a statement in which he gave on behalf of the deputies his interpretation of the adopted document. Did your faction authorize the chairman of the State Duma to make such a statement?

[Belyayev] No, this was an initiative of the chairman himself. And more than inappropriate. In a statement in response our faction observed that Gennadiy Seleznev had permitted himself sharply worded political evaluations and conclusions that go far beyond the framework of the competence and powers of the chairman of the State Duma. And warned that it reserves the right, in the event of a recurrence of such a practice, to sponsor the framing of a question on G. Seleznev's fitness for the office he holds.

[Morgun] But unless my memory fails me, the Yabloko faction immediately displayed such an initiative?

[Belyayev] I, though, would recall the antecedents. The NDR [Russia Is Our Home] faction warned the corps of deputies of the possibility of just such a development of events and of such behavior on the part of a speaker from the CPRF two months ago, when the question of the election of chairman of the State Duma was on the agenda, insisting that a deputy from the ranks of the independents head the lower chamber.

We were right: The speaker's actions are increasingly emphasizing his party affiliation and contributing to the Russian Parliament's involvement not in law-making but in the presidential election campaign.

As far as the elections of the speaker two months ago are concerned, it was Yabloko's position that contributed to the lower chamber being headed by a representative of the CPRF.

[Morgun] Which was a reason for many experts to declare at that time that Yabloko had turned quite red.

[Belyayev] I would not be in any hurry as regards such speculation. I believe that this was simply a mistaken tactical move. Yabloko understands as well as us that it is better for it not to turn red: As soon as it ripens, it falls, and the worms get to work.

[Morgun] Nonetheless, both the CPRF and the speaker feel more than confident in the State Duma. Many members of the Communist faction are even strutting about with badges showing RSFSR symbols....

[Belyayev] We have noticed this also. And have commented strongly on this matter. Were the speaker of the chamber not a committed opposition politician, he would have immediately suppressed such an action. In this case, for understandable reasons, this has not happened.

[Morgun] It is clear from what has been said that the atmosphere in the State Duma is quite complex. Nonetheless, who do you regard as your potential allies?

[Belyayev] The Regions of Russia group of deputies: Practice has shown that on matters of principle we have voted identically. Many independent deputies. The deputies elected per single-seat constituencies from Russia's Democratic Choice. And, it stands to reason, Yabloko, in the instances when it recalls its innate genes of democracy.

[Morgun] It is known that the factions that are a part of the State Duma, other than the NDR, are headed by the leaders of the corresponding parties. The leader of the NDR, however, Viktor Chernomyrdin, is not the chairman of the NDR faction. What is the relationship between Viktor Stepanovich and you?

[Belyayev] As distinct from all the other movements and parties, the NDR is headed by the leader of the Government of Russia. Combining work in the government with work in the State Duma is more from the realm of fantasy.... Both require 25 hours a day. Whichever way you look at it, one hour is not enough.

At the same time I would like to emphasize that Viktor Stepanovich devotes much time and attention both to the movement and to our faction. We regularly meet, call each other, and jointly formulate the tactics of the faction's behavior in the State Duma on this matter of principle or the other.

Just one example. Remember that the president of Russia charged the premier with taking charge of the commission that had to find a solution to the conflict in Chechnya? And it was not fortuitous that Vladimir Zorin, chairman of the Duma Committee for Nationalities and a deputy of ours, was on the commission.

It is certainly no accident that practically simultaneously a large group of deputies from the NDR made an 11-

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day trip to the Chechen Republic and the republics and oblasts bordering it. I may say that our proposals for a settlement of the war in Chechnya were sent to the government commission. This is one example of many. And I believe that it speaks quite eloquently about the relationship which has taken shape between the leader of the movement and the faction.

The NDR Duma faction is open for contact. For information call the reception desk (095) 292-79-55 (Vladimir Vladimirovich Ivanov)

Fax: (095) 292-83-11

Address: Apartment Block 1, 3d floor of the old building,
Okhotnyy ryad, Moscow 103265.

Russia: Home-Made Bomb Explodes in Moscow Street

LD1104220396 Moscow 2x2 Television in Russian 1925 GMT 11 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] There was an explosion at about 1100 this morning on Vavilov Street, near house No. 48. The home-made bomb was planted under a metal fence. The blast ripped up the fence and blew out windows on the three lower storeys. Frightened residents who were in their flats at the time ran out to the street.

[begin recording] [Unidentified speaker] There was just this powerful explosion that shook the whole apartment, and we heard the sound of breaking glass. We looked out onto the street. All the traffic had stopped, we could see because we are quite high up over the street. I came out here and saw the crater. Then the police turned up.

[Another unidentified speaker] A helicopter flew up and landed on that clearing over there. [end recording]

[Correspondent] Luckily, there were no pedestrians or cars near the bomb when it went off.

Military & Nuclear Issues

Russia: Kobets Seen as Candidate for Defense Minister

MK1104124596 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 11 Apr 96 p 2

[Unattributed report: "The Executive Branch"]

[FBIS Translated Text] A new candidate for the post of defense minister has appeared: Konstantin Ivanovich Kobets, general inspector, chief of the Russian Federation Main Military Inspectorate. According to informed sources, the presidential staff has asked for corresponding documents on the general, including his military service record, while the candidate himself has been interviewed at the appropriate level.

General Kobets rose to prominence in 1991 when, as commander in chief of the Signals Corps, he directed the defense of the White House. After the victory, during the two weeks of the "transition period," he performed the duties of the defense minister in the nonexistent Russian Armed Forces. When Grachev was appointed defense minister, Kobets, in a sense, found himself at a loose end. He was placed at the disposal of the president, assisting him in working out a military reform concept. Simultaneously with his governmental activity he was active in setting up joint ventures, mostly in the sphere of communications — various paging systems and "Krosna" satellite TV dish antennas. A highly professional signals specialist, Kobets has made an effective use of his professional skills and connections.

Russia: Audit Chamber Claims Billions in War Funds Diverted

MK1204112796 Moscow THE MOSCOW TRIBUNE in English 12 Apr pp 1-2

[Report by John Helmer: "Billions in War Funds Diverted"]

[FBIS Transcribed Text] Auditors from the independent agency monitoring government spending have uncovered evidence that vast sums of money, intended to be spent on the war in Chechnya and on reconstruction of the republic, have not been accounted for and may have gone astray.

Yuriy Boldyrev, who heads the Audit Chamber, told THE MOSCOW TRIBUNE that 13 trillion rubles ($2.6 billion) was authorized by a government commission on Chechnya.

"Funds have been paid for something," Boldyrev said, "but for what? This is not clear. There was an illegal decision by the Soskovets commission to make allocations of money for different purposes. We need to clarify whether the allocation really happened."

Boldyrev named First Deputy Prime Minister Oleg Soskovets, who has chaired the government commission for restoration of Chechnya, as responsible for spending "with no legal justification behind it."

The results of the audit are contained in the draft report of the Audit Chamber, which is being compiled for submission to the Duma shortly.

Boldyrev said that the total included sizable sums of money which the government deposited in commercial banks, and which have either remained there or have

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been spent on purposes that were different from those authorized.

He said that between 20 billion and 22 billion roubles ($4.4 billion) "should be returned to the budget by Menatep. The money should have been spent for one purpose. Maybe it was accumulated instead, to earn interest, or spent for another purpose. We have reason to suppose a similar thing at other banks."

The Audit Chamber chairman hit out at government ministries and the Central Bank for trying to block his agency's inquiries.

He said he believes funds for military operations and personnel in Chechnya may also have been diverted for unauthorized purposes, but cautioned that no exact figures are available yet.

Boldyrev said he recently insisted, over Defense Ministry objections, that analysis of military spending should be done by an auditor who was not in military service or subordinate to the Defense Ministry.

Late last month, the government published its detailed economic strategy and included a line which, according to Boldyrev, signals the intention to prevent independent auditors from doing their job.

The statement, signed by Prime Minister Victor Chernomyrdin and Central Bank Chairman Sergey Dubinin, declares: "The role of the Audit Chamber should be limited, and restricted only to the subject of auditing checks.

The Audit Chamber, which has already grown to a staff of 400, and is slated to reach 650, has also reported alleged violations of the law in last year's loans-for-shares scheme, and turned over its report to the Procurator-General Yuriy Skuratov. He met Chernomyrdin last Friday to consider whether to continue a criminal investigation of two officials, Petr Mostovoy and Alfred Kokh.

The chamber's annual report to the Duma will also disclose that the former speaker of the Federation Council, Vladimir Shumeyko, spent $134,000 in hard currency without providing required receipts and substantiation of the purpose of the expenditures.

Russia: Law on Financing 'Dangerous' Nuclear Facilities Published

MM1104120996 Moscow ROSSIYSKAYA GAZETA in Russian 9 Apr 96 p 4

[Russian Federation federal law No. 29, signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 3 April 1996, adopted by the State Duma 21 February 1996 and approved by the Federation Council 20 March 1996: "On Financing Production Units and Facilities Which Are Particularly Dangerous in Terms of Radiation and Use of Nuclear Materials" — from the "Documents" section]

[FBIS Translated Text] This federal law lays down the basic provisions for the guaranteed financing of work performed at production units and facilities which are particularly dangerous in terms of radiation and use of nuclear materials, which is necessary to ensure the safe and stable functioning of these production units and facilities.

Article 1. Production units and facilities which are particularly dangerous in terms of radiation and use of nuclear materials (hereinafter — especially dangerous facilities) are any organizations, regardless of their form of ownership, as well as military units engaged in the development [razrabotka], production, use, storage, transportation, and utilization of nuclear weapons, nuclear weapon components, and materials and articles which are dangerous in terms of radiation.

The list of especially dangerous facilities will be drawn up and approved by the Russian Federation Government.

Article 2. The financing of the activity of especially dangerous facilities will be effected on the principles of guaranteed, adequate, and prompt appropriation of funds from the federal budget to ensure the safe and stable functioning of the aforementioned facilities.

Provision for the expenditures associated with the activity of especially dangerous facilities will be made by the Russian Federation Government in the draft federal budget for the appropriate year as part of the protected items of current expenditure in the federal budget which are subject to financing in full.

The financing of expenditures included in the federal budget for the performance of work at especially dangerous facilities is effected by means of a mandatory advance payment against such expenditures equivalent to 40 percent of the annual amount of budget appropriations.

Article 3. The organizations and military units included in the list of especially dangerous facilities can make deductions to form centralized funds and include them in the cost of output (works, services) regardless of the source of payment for them, in the following amounts:

— 1.5 percent of the cost of sold output to finance scientific research, experimental design, and planning and surveying work performed for the purpose of improving the technologies and enhancing the safety of operations at the aforementioned facilities;

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— 3 percent of the cost of sold output to finance work on the conversion of defense industry production units at especially dangerous facilities;

— 1 percent of the cost of sold output to finance measures for the social protection of the population living on territories adjacent to especially dangerous facilities and defined according to procedures to be laid down by the Russian Federation Government, as well as to finance the development of these territories' social infrastructure.

The procedure for the formation and utilization by federal organs of executive power of the centralized funds listed in Part 1 of this Article is to be approved by the Russian Federation Government.

Article 4. The Russian Federation president is to be asked to bring any normative legal acts promulgated by him in line with this federal law.

The Russian Federation Government is instructed:

— to bring any normative legal acts adopted by it in line with this law;

— to approve the procedure for forming and utilizing the centralized funds listed in Part 1 of Article 3 of this federal law;

— to approve the procedure for defining territories adjacent to especially dangerous facilities.

Article 5. This federal law comes into force on the day of its official publication.

[signed] Russian Federation President B. Yeltsin

[dated] Moscow, The Kremlin, 3 April 1996

Federal Assembly

Russia: Duma Adopts Decree on Debts to Military-Industrial Complex

MM1104145996 Moscow ROSSIYSKAYA GAZETA in Russian 10 Apr 96 p 6

[Unattributed report: "Repaying Debts in Full"]

[FBIS Translated Text] The State Duma has adopted a decree "On the Nonpayment of Wages at Military-Industrial Complex Enterprises."

The document notes that nonpayment of salaries is linked to the failure to pay for output supplied under state defense orders and the failure to finance federal programs geared to the production of civil output.

As of 1 January 1996 state customers owed military-industrial complex enterprises 4.6 trillion rubles [R]. This has resulted in these enterprises running wage arrears of R1.5 trillion. The "Rosvooruzheniye" State Company has failed to pay a number of enterprises more than $200 million for armaments and military hardware supplied for export in 1993-1995. The situation has been further compounded by the fact that the level of budget funding for this expenditure has in fact proved to be less than provided for by the federal budget for 1995.

Analysis of the figures submitted makes it possible to establish a number of the reasons why output supplied by military-industrial complex enterprises for state needs has not been paid for. These include the amount of R1.7 trillion in nonpayments for manufactured products that was carried forward from 1994 and has no realistic sources available to cover it. As of the start of the year the nonpayment was R3.7 trillion, but the federal law "On the Federal Budget for 1995" provided for just R2 trillion to repay it. The lack of a mechanism for the quarterly indexation of appropriations allocated to pay for state defense orders out of the federal budget has had a negative impact as a result of the actual rise in the cost of raw and other materials and energy sources. At a time of inflation and the incomplete and untimely allocation of budget funds, military-industrial complex enterprises' circulating capital is being replenished to a significant extent by raising loans from private sector banks. This is pushing up the cost of state orders. The Russian Federation Government has unilaterally halved the budget funds for financing the activities of the closed administrative-territorial formations under the Russian Federation Ministry of Atomic Energy and the Defense Ministry that were agreed with the Finance Ministry at the drafting stage of the federal budget for 1996. Research and development work carried out by military-industrial complex enterprises on civilian projects — including on dual-use technologies — have been underfunded for a number of years.

Other reasons which have led to the formation of unpaid debts for military-industrial complex output supplied for state needs were also mentioned. Taking into account the fact that wage arrears and the failure to provide payment in full to military-industrial complex enterprises for state defense orders are not only lowering the level of the country's national security but are also giving rise to grounds for social protests by labor collectives, the State Duma has instructed a number of State Duma committees to draw up a draft federal law "On Amendments and Additions to the Federal Law 'On State Defense Orders'" as well as the draft laws "On Mobilization Capacity in Industry" and "On State Support for Priority Avenues in Education, Science, and Industry To Ensure Protection of the Russian Federation's National Interests." It is planned to draw up other legal acts as well.

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The Russian Federation Government has been instructed to accelerate its ratification of the monthly timetable for state defense orders in 1996 taking account of the repayment of debts to military-industrial complex enterprises in the first half-year. In the first quarter of 1996 it is planned to repay the payment arrears — included in the federal budget for 1996 at R2.1 trillion — and to repay the outstanding amounts owed for manufactured and supplied output, and for research and development under state defense orders in 1994-1995 in line with the timetable proposed for ratification.

The Russian Federation Comptroller's Office has been instructed as of April 1996 to submit information to the State Duma on the repayment of the federal budget's debts for 1994-1995 to military-industrial complex enterprises and to ensure that the Russian Federation Government carries out the timetable for paying for state defense orders.

Russia: Bill on Public Monitoring of Elections Passes Second Vote

MK1104140196 Moscow SEGODNYA in Russian 11 Apr 96 p 2

[Report by Gleb Cherkasov: "Law 'On Public Monitoring of Elections' Passes Second Duma Reading"]

[FBIS Translated Text] The [draft] law "On Public Monitoring of Elections and on Openness and Glasnost in Vote Counting" introduced by deputies from the Committee on Legislation and Judicial Reform, passed its second reading in the State Duma yesterday. The regulatory document establishes "the extent and forms of public monitoring in elections for the president and State Duma deputies," as well as for the officials and representative bodies of state power in Russian Federation components. It also specifies the rights of public monitors, and it provides for a mandatory recount of votes.

Under the draft law, public monitors have the right to be present at polling stations, to attend the counting of votes, to see "the results of vote counting while its is being done by members of electoral commissions. Any citizen of Russia nominated by at least 10 other citizens can be public observer at polling stations, and in order to become an observer at a territorial electoral commission, it is necessary to secure the confidence of 50 fellow countrymen."

It was originally supposed that the law should also apply to federation-wide referendums. In the words of Viktor Sheynis ("Yabloko"), who presented the draft law to his fellow deputies, it was decided, on the president's proposal, to somewhat narrow the law's jurisdiction, because the questions pertaining to the holding of referendums are regulated by a constitutional law. Mr. Sheynis announced that the drafters' decision to agree with the head of state's proposal was prompted by the desire to have the law passed ahead of the presidential elections.

The drafters of the law who were lenient to Boris Yeltsin's amendments were dead against the changes proposed by Viktor Chernomyrdin. The government proposed to take out Article 3, which specifies the mechanism for the nomination of observers. According to Viktor Sheynis, these changes, if passed, would have damaged the status of public monitors.

I should note that the future of the law "On Public Monitoring" in the Fourth State Duma appears to be comparatively cloudless, whereas the deputies of the previous convocation repeatedly rejected it when it was still up for the first vote.

Russia: Committee Announces Privatization Check Results

MM1104144096 Moscow IZVESTIYA in Russian 6 Apr 96 p 2

[Report by Irina Savvateyeva: "Privatization Must Be Improved, Duma Has Demanded of State Committee for Management of State Property"]

[FBIS Translated Text] A news conference by Veniamin Sokolov, auditor of the Comptroller's Office, and Aleksandr Kazakov, head of the Goskomimushchestvo [State Committee for the Management of State Property] announced the results of a check on privatization departments by the Comptroller's Office.

Despite the large number of complaints voiced by the Duma office auditor and the country's chief privatiser, what was most feared both inside and outside the Goskomimushchestvo has not happened: There was no talk of privatization being bad in principle.

All the complaints voiced by the checkers to the Goskomimushchestvo, the Russian Federal Property Fund, and the Federal Administration for Insolvency (Bankruptcy) can be divided into two groups: effective but unimportant, and fundamental. The first category includes what are from the checkers' viewpoint large salaries in the Russian Federal Property Fund and the Goskomimushchestvo: money spent on saunas and dachas, the story of the "Mosdepozitbank" in which the Russian Federal property Fund kept money and which went bankrupt, which led to two-month delays in payments into the budget.

IZVESTIYA believed that the talk the day before on the subject of Mostovoy, the defense industry, Kokh,

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and shares for loans auctions was far more important. To all the auditor's arguments regarding the illegality of the decisions which were made and how Aleksandr Kazakov had exceeded his powers there was one reply: No one can insist on the illegality of decisions on shares for loans auctions and the deeming of defense enterprises to be insolvent until the court has made its decision.

At the same time the Goskomimushchestvo leader agreed with many of the checkers' other charges. And primarily with the charge that the state is not managing its property in the best way. There are not even precise registers of state property.

As for fundamental views of the course of privatization, here the checkers and the checked agreed that a precise legislative base, which is lacking today, is needed. They agreed that it is necessary to hold back the arbitrary behavior of the regional and sectorial "generals" in the field of privatization. But very important differences in approaches to the problem were also declared.

The representatives of the Duma chamber insisted that the processes of deprivatization and confiscation should be "equal" in relation to the process of privatization. In other words, massive. But Mullanur Ganeyev, chairman of the Duma commission for analyzing the results of privatization, stated in general that his commission would submit to parliament by the end of spring a new version of the privatization course.

Russia: Federation Council Approves Changes to Employment Law

LD1104100596 Moscow ITAR-TASS in English 0811 GMT 11 Apr 96

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, April 11 (Itar-Tass) — The Federation Council upper house of parliament today approved the draft act, earlier approved by the lower house, concerning changes and additions to the law on employment in the Russian Federation.

The upper house agreed to most proposals which the Russian President made for changes to the law.

The State Duma lower house had earlier okayed the presidential proposals made after he had turned down the earlier version of the law.

Provisions proposed by the President and incorporated in the final edition of the text of the law relate to ensuring employment of disabled persons, creating new jobs expressly for socially vulnerable citizens and a more distinct division of powers between the Centre and the component parts of the Federation.

The Federation Council turned down a bill on the budget of the Social Insurance Fund of the Russian Federation for 1996.

According to the FC committee for social policy, the draft act contains a number of provisions that do not meet present social requirements. In particular, while the total spending is increased by 57 percent as against last year's Fund budget, spending on recreation and health services to children is cut drastically along with spending on resort and health-centre services to the working people.

The Federation Council pointed to the doubling of spending on the upkeep of the staff of the Fund's executive offices and proposed setting up a conciliatory commission to decide on the removal of shortfalls in the law.

Regional Affairs

Russia: Yeltsin To Sign Power-Sharing Agreement With Khabarovsk

MM1204104296 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 12 Apr 96 p 3

[Report by Gennadiy Vedernikov: "President Expected in Khabarovsk. Powers of Russian Federation and Khabarovsk Kray Will Be Delimited"]

[FBIS Translated Text] A treaty on the delimitation of powers between the Russian Federation and Khabarovsk Kray will be signed 23 April. This was announced by Viktor Ishayev, head of the Khabarovsk Kray Administration. This event will take place during Russian Federation President Boris Yeltsin's visit to Khabarovsk. As you know, the Russian president plans to make a stopover in the Far East en route to the PRC.

V. Ishayev emphasized that the people of the Far East also link the beginning of the practical implementation of the now-prepared comprehensive program for the development of the Far East with the Russian president's visit to Khabarovsk. As you know, this 400- trillion ruble program is designed to speed up the region's socioeconomic development and strengthen Russia's positions among the countries of the Asia-Pacific Region.

Russia: Petersburg Mayoral Elections Viewed, Contenders Cited

MM1204092496 Moscow IZVESTIYA in Russian 10 Apr 96 p 1

[Feature by Sergey Krayukhin under the "Politics Through Its Personalities" rubric comprising statements by St. Petersburg mayoral candidates Aleksandr

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Belyakov, Vladimir Yakovlev, and Anatoliy Sobchak: "Who Will Be St. Petersburg Chief?"]

[FBIS Translated Text] St. Petersburg — According to figures from the city's electoral commission there are upward of 30 candidates for the post of St. Petersburg chief, ranging from the present mayor, Anatoliy Sobchak, to an unemployed person, Yuriy Morozov. Nobody expected that the mayor's first deputy on questions of the city's economy, Vladimir Yakovlev, and Leningrad Oblast Governor Aleksandr Belyakov would figure among St. Petersburg's mayoral candidates.

Will It Be Aleksandr Belyakov?

"What is essential today is a person who would actually raise the question of unifying the city and oblast and would set this process in train. The oblast governor's decision to run for the post of St. Petersburg executive branch chief — which is backed by the 'Russia Is Our Home' movement — was dictated expressly by the desire to act as the guarantor of such a merger between these two Russian Federation components. This process will require that considerable time is spent holding referendums among city and oblast residents and subsequently on the procedure for amending the Russian Federation Constitution.

"Anatoliy Sobchak has considerable authority and has a better grasp of cultural matters, but those voters who would like the city to be run by an experienced manager and a pragmatist will vote for me."

Will It Be Vladimir Yakovlev?

"Although I only announced my decision to run for the post of St. Petersburg governor recently, I had mulled it over for a year. I am no public speaker, orator, or professional politician, but an engineer and manager; it is from this standpoint that I make judgments about the city's needs and problems. I think that before proclaiming St. Petersburg as a center for finance, tourism, and festivals and holidays, we should see that its plants are operational, its streetcars and buses run properly, and there are no serious accidents on the subway. The basis of my disagreements with the mayor lie in our different attitudes toward the city and its future development, although we have succeeded in achieving something together over the past few years.

"I do not intend to give up my post, although the mayor has made hints about this — such a step would give Sobchak an advantage over me as he, after all, does not intend to step down. As for my political preferences, I will state openly that I will not look for help from any of the parties or movements during the election campaign. In the end, whoever comes to power, there will be no revolution and the clock will not be turned back — some 70 percent of industrial enterprises and 90 percent of commercial outlets have been privatized in the city."

Will It Be Anatoliy Sobchak?

"I do not intend to comment on the attacks made against me by my opponents in the St. Petersburg gubernatorial elections, let alone enter into some slanging match with them. But I will definitely report soon to the city's residents on what has been done in St. Petersburg in the past five years and on what is being planned for the future."

At a presentation of the St. Petersburg Trade Code, organized by the city hall's food and trade committee, A. Sobchak stated that he intends to run in the fall for the post of Leningrad Oblast governor. Combining the offices in this way will, he believes, facilitate the swiftest possible unification of the city and oblast into a single component of the Russian Federation, for which he has always striven.

Events in the election campaign in St. Petersburg show that by supporting the rescheduling of city's gubernatorial elections from 16 June to 19 May, even with reference to a presidential directive, Anatoliy Sobchak took a fairly risky step and a provoked a barrage of criticism when his erstwhile associates went over to his opponents' camp and the left-wing opposition forces became considerably more active. Although A. Sobchak has stated on more than one occasion that a "red" mayor will not be elected in St. Petersburg, the threat posed by these actions is nevertheless very great....

Russia: Petersburg's Sobchak To Head Regional Yeltsin Support Team

MM1104141596 Moscow ROSSIYSKAYA GAZETA in Russian 11 Apr 96 p 2

[Report by Sergey Alekhin: "St. Petersburg Supports the President"]

[FBIS Translated Text] St. Petersburg — Prominent scientists, politicians, and cultural figures in St. Petersburg have set up a regional committee of the all-Russia movement of public support for B.N. Yeltsin in the presidential elections in the northern capital.

Daniil Granin the writer; Lyudmila Verbitskaya, rector of St. Petersburg State University; Mikhail Piotrovskiy, director of the Hermitage; Vladimir Putin, deputy mayor and chairman of the regional branch of "Russia Is Our Home"; and many other well-known people in the city on the Neva have been brought together, according

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to their statement, by the common desire to rally all democratic forces around the current president.

The regional committee is headed by A. Sobchak. Many analysts believe the authority of this democrat (one of the originals) will help to unite reformist forces in support of Boris Yeltsin in the forthcoming elections. At the same time, many feel A. Sobchak has taken on a heavy burden. Elections of the head of administration, which will be a dress rehearsal for the all-Russia elections, are due to be held on 19 May in this Palmyra of the north [St. Petersburg]. They will reveal the extent to which democratic forces are capable of defending the reforms. In this sense, the current head of St. Petersburg, who intends to run again, will act as a kind of catalyst for effective action by those forces which plan to vote in favor of continuing the reforms on 16 June.

Russia: Nizhniy Novgorod Officials Boycott Gorbachev Visit

MM1104133296 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Apr 96 p 2

[Report by correspondent Nikolay Yefimovich under the "Election Runup" rubric: "Nemtsov Lifts Gorbachev Boycott"]

[FBIS Translated Text] Nizhniy Novgorod — The Nizhniy Novgorod Kremlin has followed in the wake of St. Petersburg's Smolnyy [seat of local government], which, as people will know, boycotted Mikhail Gorbachev's arrival in that city. The former president of the Soviet Union and his wife, who flew in here yesterday, were met only by the leadership of the "Nizhniy Novgorod Kray" public movement, at whose invitation Gorbachev was visiting the reform capital. No one from the local authorities turned up at the airport. According to "Nizhniy Novgorod Kray" representatives, the oblast administration also refused to grant the ex-president a minibus to tour the region. The directors of many major enterprise have declined to meet with Gorbachev on their own territory.

As if on purpose, Governor Nemtsov was not at his home base. Returning from America, he had lingered a little in Moscow (where, incidentally, he came to a meeting with KOMSOMOLSKAYA PRAVDA journalists). Therefore his subordinates, clearly, decided not to run risks.

However, the officials got it wrong. Late in the evening Nemtsov telephoned his assistant and asked him to convey to Mikhail Gorbachev his apologies for his enforced absence and the request that he await his arrival. The vice governor immediately hastened to meet with the well-known visitor and even invited him to attend a jubilee auction on the reforming [auktsion po reformirovaniyu] of former kolkhozes....

Gorbachev himself acknowledged that all this commotion over the nomination of sundry presidential contenders reminded him of a waiting line for vodka during the famous anti-alcohol campaign.

By the Way

At the meeting with KOMSOMOLSKAYA PRAVDA journalists the day before yesterday Boris Nemtsov spoke of the first and last president of the USSR in the following terms.

"I think that we should let the Nobel prizewinner be. We only have a few such people left in the country. For me Gorbachev means history, and history must be treated with care. When Solzhenytsin was published in NOVYY MIR in 1987 and Sakharov was released from our city in 1986 — this was all connected with one man, Gorbachev. He is one of only a few czars who have voluntarily retired. Incidentally, we still do not know what the result of the coming election will be."

Economic Issues

Russia: Yeltsin Orders Tax Cut for Space-Missile Industry

LD1204084596 Moscow ITAR-TASS in English 0822 GMT 12 Apr 96

[By Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW April 12 (Itar-Tass) — Russian President Boris Yeltsin instructed the government to draft a decree on the lifting of tax and export duties from products of the missile-space industry. He made this decision on Thursday during a visit to the scientific-production amalgamation Energomash. The President said that these benefits should apply to all international space programmes.

Answering a question from Itar-Tass after the meeting with heads of a number of major enterprises of the defence industry, Yeltsin pointed to superiority of the Russian space industry over that of the U.S. "Americans are lagging far behind us," Yeltsin said. "They cannot even imagine the space engines manufactured here," he said. "This is why the Americans cannot launch heavy spacecraft without us," he added.

Summing up the results of his meeting with workers of the scientific-production amalgamation Energomash, Yeltsin said that there had been no brain drain from the defence industry. People are dedicated to their work, the President said.

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"Things are hard at times so far, but there will be changes for the better. Wages and salaries will be growing and orders will be placed with the enterprise," the President said.

Regarding the situation in the space industry as a whole, Yeltsin noted that it remained afloat due to export and partial state support. He admitted that there had been considerable cuts in financing, but the industry had not collapsed.

Matters which cause everybody's concern in Russia at present — the pay of back wages and the forthcoming election campaign — were also discussed during the President's meeting with workers of the enterprise. Asked if there are cases when the funds allocated for paying wage arrears did not reach the recipients Yeltsin admitted that such facts did occur but there is due control over the matter.

The President said that the presidential campaign is going to be tough. He said however that he feels fine and is in an excellent form. "I am not going to give in," Yeltsin said. "The main thing is that we should not be rolled back after June 16," he said.

Russia: First-Quarter Economic Situation Assessed

MM1104131996 Moscow FINANSOVYYE IZVESTIYA in Russian 4 Apr 96 p 2

[Article by Yevgeniy Vasilchuk: "Economy Reluctantly Facing Up to Presidential Election" — received via Internet]

[FBIS Translated Text] The economic situation in Russia in late March-early April 1996 remains tense. The real sector of the economy and above all industry is teetering on the brink of a sales crisis. Export-oriented sectors have been forced to redirect their deliveries to the domestic market. This could lead not only to a reduction in production volumes but also to a deterioration in the defaulting problem.

The government's de-facto introduction in March of an emergency scheme to execute the expenditure side of the budget has deprived many production facilities of even the meager state investment which they had previously received.

Private investment capital is less and less interested in getting involved in troublesome production investment. In any case there is practically no money left for this purpose in the financial sector of the economy. March's interest rate cuts have left many investors with the nagging feeling that somebody has once again put their hand in their pockets uninvited. Time will tell whether people will continue putting their money in the bank.

The state's policy of squeezing out private savings from the sphere of financial speculation in production in the medium term is unlikely to be successful. Having taken heart following Anatoliy Chubays' departure, the Soviet-type industrial directorate is desperately resisting attempts by the state and financial capital to introduce elements of rationality into the management of enterprises.

Taxes are not being paid and shareholders' rights are being infringed. Vigorous efforts are being made to wheedle various allowances out of the government.

Back at the end of 1995 it seemed that there were at least a dozen more or less powerful financial-industrial groups in the country which could claim to be engines of economic growth. The opposition's December revenge in the parliamentary elections and the government's own mistakes gave rise in the Russian economic lexicon to the slogan of nationalization. The immediate consequence of this was to bring the incipient investment revival and restructuring to a grinding halt. Maybe financial-industrial group enthusiasts will be somewhat encouraged by the edict, signed by Yeltsin 1 April after taking two years to prepare, on boosting the creation of these groups in Russia.

The beginning of 1996 was marked by an unprecedented boom in the ideology of state consumption. Society is again full of the illusion that state activity is the source of economic growth.

At the same time the state itself had until recently almost studiously ignored its necessary minimum responsibility for getting the economy out of crisis.

The result is obvious: The majority of the politically active population is ready this summer to entrust the country's future to any politician who promises to impose order.

Unfortunately, the state is setting business a bad example in the sphere of financial discipline. Budget expenditure is neither "transparent" nor effective. Nor is the state in a position to guarantee entrepreneurs equal conditions of economic activity, to ensure free competition, or to provide undertakings that contracts will be met (or else nonperformance penalties will be imposed).

The government has declared a battle for budget revenue and a war on defaulting. Despite the impact of negative election fever factors and the upsurge in the building of supranational interstate institutions by Belarus, Kazakhstan, Kyrgyzstan, and Russia, a number of favorable trends had taken shape in the Russian economy and politics by the end of March.

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At federal budget level salary backlogs had been cleared by early April. But in the regions and the nonstate sector of the economy there has hardly been any progress. It is still the case that just over two-thirds of salaries are being paid in Russia.

In March the fall in inflation came to an end and demand restrictions eased somewhat. The risk of the presidential campaign peaking at just the time when the recession, mass production shutdowns, and bank failures were accelerating has diminished.

In the financial sector the Finance Ministry and the Bank of Russia are so far being successful in averting any growth in crisis phenomena in the securities market or in the banking system. The Central Bank has reaffirmed that access to the Russian financial market for current nonresidents will be allowed exclusively under strict Central Bank controls and in the interests of the national economy.

Any upheavals in the Russian economy before the presidential election seem unlikely.

But the key problems of production investment, the budget sphere, and the rapid growth of domestic and foreign debt have not yet been resolved. The conditions have not been created for economic growth.

The country has no resources for another exotic economic experiment. But if the authorities continue to disdain the development of an economic strategy and to ignore the task of building an effective mechanism for state regulation of the economy, they will be unable to prevent a new explosion of political instability throughout Russia.

Dynamics of the Main Russian Economic Indicators in 1996 (as a percentage of the same period last year)

	1993	1994	1995	Jan 1996	Feb 1996	Mar 1996*
Real GDP growth	-12	-15	-4	-3.0	-2.5	-1
Industrial production (Dec 1991 = 100; to end of period)	64.1	56.1	49.6	50.9	49.5	50
Investment from all sources of funding	88	76	87	-10	10	-8
Real consumption (1991 = 100; to end of period)	73.6	76.3	72.7	65.7	60.9	62
Real average wages (Jan 1992 = 100; to end of period)	137.1	109.2	95	84	85	86
Consumer price index	843	224	131	4.1**	2.8**	2.8**
For reference purposes:						
Money supply (M2), December to December	509	300	219	7**	7**	9**
M2 velocity of circulation, times	4.5	6.3	7.8	8.7	8.2	7.7
Budget deficit: as percentage of GDP	-9.6	-11	-3	1.5	7	-
as percentage of revenue side	16	76	20	-	55	-

*estimate

**Changes for the accounting month.

The information is presented according to sources of the Russian departments as an evaluation by the author of the article and experts of the investment company "Renaissance Capital."

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Russia: Export Development Plan Appendix 1 Published

964E0939A Moscow ROSSIYSKAYA GAZETA in Russian 30 Mar 96 p 7

["Appendix 1 to the Federal Program for Export Development: Measures To Stimulate Exports for 1996 (Program Implementation Plan)"; Appendix 2 [MM0204101796] was published in SOV-96-064, 2 April Central Eurasia DAILY REPORT; Appendix 3 [MM0204160096] was not published]

[FBIS Translated Text]

Measures To Stimulate Exports for 1996 (Program Implementation Plan)

No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
1. Establishment of conditions for the formation and development of export potential in industry				
1.1.	Adoption of top-priority measures in the sphere of state support of exports, including through the attraction of state budget assets	Draft Decree of the Russian Federation Government on Additional Support for Russian Exports of Goods and Services	I Quarter 1996	Russian MFER [Russian Federation Ministry for Foreign Economic Relations], Russian Federation Ministry of the Economy, Russian Federation Ministry of Finance, Bank of Russia, Russian State Committee for the Defense Industry, Russian Federation Committee for Machine Building, Russian Export-Import Bank
1.2.	Organization of the system for insuring export credits for export shipments of industrial output produced by Russian commodity producers	Draft Decree of the Russian Federation Government on Formation of the Russian Export-Import Insurance Association	I Quarter 1996	Russian MFER, Russian Federation Ministry of the Economy, Russian Federation Ministry of Finance, Bank of Russia, Russian Federal Service for Oversight of Insurance Activities, Russian State Committee for the Defense Industry, Russian Federation Committee for Machine Building, Russian Federation Committee on the Chemical and Petrochemical Industry, Russian Export-Import Bank

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No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
1.3.	Adoption of a package of organizational measures to set up conditions facilitating the expansion of industrial exports and improving export structure	Proposals to the Russian Federation Government on: a) the establishment of specialized subdivisions in ministries (using already available personnel assets) to carry out practical activity related to the study and enhancement of competitiveness of industrial production output; b) reconstitution and development of the state information system on progressive achievements of foreign science and technology, progressive production and entrepreneurial experience involving use of the capacities of Russian institutions abroad in this activity; c) organization of activity involving exhibitions and fairs in Russia and abroad, including integrated information support for measures conducted	II Quarter 1996	Russian Federation State Committee for Industrial Policy, Russian Federation Ministry of the Economy, Russian MFER, Russian Federation Ministry for Science and Technology Policy, Russian Federation Committee for Standardization, Metrology, and Certification, Russian Federation Committee for Machine Building, Russian State Committee for the Defense Industry, Russian Federation Committee for Patents and Trademarks, Russian Academy of Sciences, Russian Federation Chamber of Trade and Industry, concerned federal organs of executive authority, other organizations
1.4.	Additional incentives and state support for the export of research-intensive and high-technology industrial equipment, taking into account duration of the production cycle	Proposals on increasing the time frames and volumes of extention of credit established in Edict of the Russian Federation President No. 1484, 8 July 1994, "On the Procedure for Providing Financial Support to Enterprises Through Federal Budget Assets"	I Quarter 1996	Russian Federation Ministry of the Economy, Russian Federation Ministry of Finance, Russian MFER, Russian Federation Committee for Machine Building, Russian State Committee for the Defense Industry, Russian Federation Ministry of Atomic Energy, Russian Federation Construction Ministry, Russian Federation Ministry of Fuel and Energy, Russian Federation Committee on Metallurgy, Russian Federation State Committee for Industrial Policy, Russian Academy of Sciences

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No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
1.5.	Assistance in the development of standardization and certification of export industrial production output using mechanisms for cooperation with foreign organizations on standardization and certification, and in the development of modern test and measurement equipment	Measures within the framework of the federal program "Certification and Metrology"	Time frames envisaged by the program	Russian Federation Committee for Standardization, Metrology, and Certification, Russian Federation State Committee for Industrial Policy, Russian State Committee for the Defense Industry, Russian MFER, Russian Federation Construction Ministry
1.6.	Incentives for assimilating and producing competitive industrial output for export, through reinvestment to these ends of dividends from the state share of the authorized joint-stock capital of privatized industrial enterprises	Development and improvement of the normative base respecting questions of privatization and the application of accelerated depreciation of fixed capital (capital stock) in the economic activity of Russian enterprises	IV Quarter 1996	Russian Federation State Committee for the Management of State Property, Russian Federation State Committee for Industrial Policy, Russian State Committee for the Defense Industry, Russian Federation Ministry of Finance, Russian Federation Ministry of the Economy, Russian Federation Construction Ministry
1.7.	Assistance in attracting foreign investments to the sphere of export-oriented production facilities	Elaboration of proposals to the Russian Federation Government on improving the mechanism for attracting foreign investments to priority sectors of the economy, with the aim of establishing and developing export-oriented production facilities within the framework of implementation of the Integrated Program for Stimulation of Russian and Foreign Investments Into the Russian Federation Economy	Time frames envisaged by the Integrated Program	Russian Federation Ministry of the Economy, Russian MFER, Russian Federation Ministry of Finance, Russian Federation State Committee for Industrial Policy, Russian State Committee for the Defense Industry, Russian Federation Construction Ministry, Russian Federation Ministry of Foreign Affairs, Russian Federation Committee on the Chemical and Petrochemical Industry
1.8.	Assistance in the provision of transportation support for export shipments	Proposals to the Russian Federation Government for a fuller utilization of the potential of Russian transporters of export production output, including reinforcement of the infrastructure for export shipments	I Quarter 1996	Russian Federation Ministry of Transportation, Russian Federation Railways Ministry, Russian Federation Ministry of Finance, Russian Federation Ministry of the Economy, Russian MFER, concerned federal organs of executive authority

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No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
1.9.	Improvement of the existing procedure for taxation and customs registration of uranium enrichment services provided by enterprises of the Russian Federation Ministry of Atomic Energy which have been purchased by foreign firms in Russia's customs territory, with subsequent export of the production output obtained	Draft Decree of the Russian Federation Government on the Particular Regulatory Features of Operations Involving the Processing by Enterprises of the Russian Federation Ministry of Atomic Energy of Raw Uranium Materials Purchased by Foreign Persons in Russia's Customs Territory, With Subsequent Export of the Output Obtained	I Quarter 1996	Russian Federation Ministry of Atomic Energy, Russian Federation Ministry of Finance, Russian Federation State Customs Committee, Russian Federation Ministry of the Economy, Russian MFER
1.10.	Retention of the existing licensing procedure, under which export and import licenses are issued to juridical persons authorized by the Russian Federal Oversight Agency of Nuclear and Radiation Safety to carry out a certain kind of activity in the atomic energy sphere; this does not necessitate authorization for each contract from this agency	New version of the Regulations on Procedure for the Export and Import of Nuclear Materials, Technologies, Equipment, Reactors, Special Non-Nuclear Materials, and Radioactive Sources of Ionizing Radiation and Isotope Output	I Quarter 1996	Russian Federation Ministry of Atomic Energy, Russian MFER, Russian Federal Service on Currency and Export Control, Russian Federation State Customs Committee, Russian Federation Ministry of the Economy
2. Coordination and assistance in the development of Industrial Exports				
2.1.	Development of forms of interaction with regional and nonstate structures of industrial production exporters	Organization and conduct of sessions of the Coordinating Council for Foreign Economic Ties of the Russian MFER	According to the council schedule	Russian MFER, other federal organs of executive authority that are council members
		Organization and conduct of sessions of the Council on Foreign Economic Policy of the Russian MFER	According to the council schedule	Russian MFER, other federal organs of executive authority that are council members
		Organization and conduct of sessions of the Council of Sector Associations of Exporters of the Russian MFER	According to the council schedule	Russian MFER, other federal organs of executive authority that are council members
2.2.	Assistance in the development of regional foreign economic activity, taking into account the objectives of export development and improvement of export structure	Provision of methods and procedural assistance to the regions in elaborating programs for the development of industrial production export	According to program development time frames	Russian MFER, Russian Federation Ministry of the Economy, other federal organs of executive authority, organs of executive authority of Russian Federation entities
		Participation in the effort of working groups of interregional associations on matters of foreign economic activity in the interests of developing industrial production exports and improving export structure	According to the group work schedule	Russian MFER, other federal organs of executive authority

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No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
2.3.	Enhancement of the role of intergovernmental commissions in developing trade and economic relations with foreign countries, taking into account the objectives of export development of Russian industrial production output	Draft intergovernmental protocol documents, taking into account the interests of Russian commodity producers and exporters	Within the time frame of commission sessions	Russian MFER, Russian Federation Ministry of the Economy, Russian Federation Ministry of Finance, Russian Federation Construction Ministry
2.4.	Assistance in coordinating international trade law and international law	Participation in the work of the United Nations Commission on International Trade Law and International Institute for Unification of Private Law	IV Quarter 1996	Russian Federation Ministry of Foreign Affairs, Russian Federation Ministry of the Economy, Russian MFER, Russian Federation Justice Ministry, Bank of Russia, Bank for Foreign Economic Relations
3. Establishment of a favorable trade regime for the development of industrial exports				
3.1.	Support for Russia's long-term trade and political interests in the sphere of world trade, including with the aim of developing the export of Russia's industrial production output	Economic and legal analysis of the conformance of existing legislation and legislation under development with GATT/World Trade Organization requirements, elaboration of proposals to the Russian Federation Government	IV Quarter 1996	Russian MFER, Russian Federation Justice Ministry, Russian Academy of Sciences, other federal organs of executive authority
3.2.	Support for Russia's current trade and political interests, especially in the sphere of industrial production exports	Consultations and negotiations related to the adoption abroad of anti-dumping, protectionist, and other non-tariff measures directed against the export of Russian commodities, elaboration of proposals of the Russian Federation Government	I Quarter 1996	Russian MFER, Russian Federation Ministry of the Economy, Russian Federation State Committee for Anti-Monopoly Policy, Russian Federation State Customs Committee
3.3.	Assistance in the development of long-term cooperation with foreign countries as an important premise for the development of Russian industrial exports	Conduct of and participation in international conferences and regional seminars on problems and prospects for development with respect to cooperation with foreign countries	Within one year	Russian MFER, Russian Federation Ministry of Foreign Affairs, Russian Federation Ministry of the Economy, Russian Federation Construction Ministry, Russian Academy of Sciences, other federal organs of executive authority
3.4.	Support for current trade and political interests in relations with CIS member states, including with the aim of developing Russia's industrial production exports	Elaboration of proposals of the Russian Federation Government on main principles of cooperation between the Russian Federation and CIS member states in the construction of facilities in third countries	III Quarter 1996	Russian Federation Ministry for Cooperation With Commonwealth Member Countries, Russian MFER, Russian Federation Ministry of the Economy, Russian Federation Construction Ministry

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No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
3.5.	Measures to protect the domestic market and Russian producers	Elaboration and introduction of measures to protect the domestic market proceeding from functions of the Russian Federation Government Commission on Protective Measures in Foreign Trade, taking into account GATT and World Trade Organization practice	IV Quarter 1996	Russian Federation State Committee for Anti-Monopoly Policy, Russian Federation Committee for Industrial Policy, Russian State Committee for the Defense Industry, Russian Federation State Committee for the Chemical and Petrochemical Industry, Russian Federation Committee for Machine Building, Russian MFER, Russian Federation Ministry of the Economy, Russian Federation Ministry of Finance, Russian Federation State Customs Committee
3.6.	Further development of measures for non-tariff regulation of foreign trade activity, for export operations within the framework of the Federal Law on State Regulation of Foreign Trade Activity	Proposals to the Russian Federation Government on gradual repeal of non-tariff regulatory measures when products are exported and services rendered	II Quarter 1996	Russian MFER, Russian Federation Ministry of the Economy, Russian Federation State Customs Committee, Russian Federation Ministry of Finance, other federal organs of executive authority
3.7.	Improvement of the system of tariff preferences with respect to foreign countries	Proposals to the Russian Federation Government on improvement of the system of tariff preferences with respect to foreign countries, proceeding from Russian interests	III Quarter 1996	Russian Federation State Customs Committee, Russian MFER, Russian Federation Ministry of Foreign Affairs, Russian Federation Ministry of the Economy
4. Organizational, informational, and personnel support of foreign economic activity				
4.1.	Development of measures to stimulate Russian exports for 1997	Federal program of development of foreign trade activity for 1997, section entitled "Measures for Stimulation of Exports"	IV Quarter 1996	Russian MFER, Russian Federation Ministry of Finance, Bank of Russia, Russian Federation Ministry of the Economy, Russian Federation Committee for Machine Building, Russian State Committee for the Defense Industry, Russian Federation Committee for Industrial Policy
4.2.	Improvement of the system for provision of information support to foreign economic activity	Continuation of efforts to codify existing legislation in the sphere of foreign economic activity dealing with export of industrial production output and services	IV Quarter 1996	Russian MFER

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No.	Content of Stimulation Measures	Designation of Measures and Documentation	Implementation Time Frame	Executing Agencies
4.3.	Training of personnel in the sphere of foreign economic activity	Elaboration of proposals to the Russian Federation Government with respect to qualifications enhancement for employees in the sphere of foreign economic relations and Russian participants in foreign economic activity dealing with industrial production export, at the Moscow International Business Institute and abroad	III Quarter 1996	Russian MFER, Russian Federation Ministry of Finance, Russian Federation Ministry of Labor, Moscow International Business Institute
4.4.	Organization of the Business Club of Russian Machine-Building Exporters	Conference preparation for the Business Club of Russian Machine-Building Exporters; identification of manufacturers of high-quality production output in order to organize their cooperation in the production of competitive export products; preparation of a data base for project developments, technologies, components, and materials of the machine-building complex; publication of bulletins on capabilities available with respect to development of cooperation with foreign firms.	III Quarter 1996	Russian Federation Committee for Machine Building, Russian State Committee for the Defense Industry, Russian Federation Committee for Industrial Policy, Russian MFER, concerned federal organs of executive authority and firms
4.5.	Assistance in expanding the export capacities of enterprises, by joining the system of international cooperation through deliveries organized by subcontract with foreign firms	Elaboration of proposals to the Russian Federation Government with respect to establishment of the Russian International Subcontracting Center, to assist enterprises in obtaining requisitions from foreign firms for the manufacture and delivery abroad of components, assemblies, blanks, and other parts	II Quarter 1996	Russian State Committee for the Defense Industry, Russian Federation Committee for Industrial Policy, Russian Federation Committee for Machine Building, Russian Federation Ministry of the Economy, Russian Federation Ministry of Finance, Russian MFER, Russian Federation Chamber of Trade and Industry

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International Affairs

Ukraine: Official Says Russia Acknowledges Responsibility for BSF Debts

WS1204091096 Kiev INTELNEWS in English 0124 GMT 12 Apr 96

[By Oleksandr Pukhov, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, April 11. Russian officials have admitted their responsibility to pay some KBV2 [karbovantsi] trillion (about $10.5 million) in Black Sea Fleet [BSF] debts to the city of Sevastopol, First Deputy Prime Minister Pavlo Lazarenko reported Thursday in Kiev.

Reporting that "major and principal changes" took place at recent Ukrainian-Russian talks on the problem, Lazarenko told a Cabinet of Ministers session that the two sides are currently working out a mechanism to pay off the debts.

Sevastopol official say that 25 percent of the city's budget is allocated to the fleet's infrastructure and social welfare costs incurred by servicemen and their families.

The BSF command has so far refused to transfer money into the city's budget, motivating this refusal by citing Ukraine's failure to finance the fleet in conformity with earlier agreements which stipulate half Ukrainian ownership and responsibility.

Ukraine: Kuchma Disscusses Relations With Russia, Indonesia, NATO

LD1104203596 Moscow INTERFAX in English 1806 GMT 11 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Ukrainian President Leonid Kuchma hoped at a press conference in Jakarta Thursday that Russian-Ukrainian relations will improve soon.

"The main thing is to clear our relations of everything alien," he said. "Political will is required, and President Yeltsin has such will."

Speaking on Ukraine's non-aligned status, Kuchma said it is natural now that NATO and the CIS military are still split. "We do not reckon that these differences will disappear by themselves in the near future," he said.

In this situation, Ukraine must become a bridge between these organizations and "help ease these differences," Kuchma said. However, he admitted that "this is a very complicated mission."

"Further aggravation of relations between NATO and the CIS military is unacceptable," Kuchma said. He noted he would not envy his own role in this situation.

Ukraine's strategic interests focus on Russia and the CIS, Kuchma said. At the same time, he said "Ukraine has its interests in the West as well."

In answer to an Interfax question about the Ukrainian-Indonesian summit, Kuchma said the talks focused on Indonesia's possible assistance to Ukraine in penetration on the Asian Pacific market. "I am confident that such assistance will be rendered," he remarked.

Kuchma said he had discused a number of specific economic projects with President Suharto, including the Russian-Ukrainian-Norwegian Sea Launch project.

According to Kuchma, Ukraine could help Indonesia in establishing satellite communications, considering that this country has a wide area and is located on a huge number of large and small islands.

At the same time, the talks did not discuss specific program involving military technology, Kuchma said.

"Indonesia receives the bulk of construction metal from Ukraine, but through Hong Kong," Kuchma said with reference to Indonesian officials. He called for direct relations between the two countries.

In addition, the talks touched on the possibility to sign an agreement between the two countries' national banks, like those Indonesia has signed with a number of countries.

The Ukrainian Foreign Ministry will have to create an embassy in Indonesia and send a good team there, Kuchma said.

The presidents of Ukraine and Indonesia, Leonid Kuchma and Suharto, signed a joint declaration of the principles of bilateral relations and cooperation in Jakarta Thursday morning.

Members of the two countries' official delegations also signed agreements on trade, regular air service, attraction and mutual protection of investments, prevention of double taxation.

Speaking with Indonesian businessmen later Thursday afternoon, Kuchma said he had been stricken by Suharto's wisdom and political vision at their meeting.

At the same time, he said "neither of the two sides is satisfied with the state of bilateral trade."

Kuchma named several possible areas of Ukrainian-Indonesian cooperation, including joint use of Ukraine's fishing fleet all around the world.

In addition, Ukraine has vast experience in hydroelectricity production and is interested in wider Indonesian presence in the hotel business in Kiev and Odessa.

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Kuchma called on Indonesian businessmen "to follow the government's suit" and establish contacts with Ukrainian enterprises. He said the Indonesian government had created the necessary legal basis for developing bilateral cooperation.

Ukraine: Kiev To Maintain Foreign Policy Course at CIS Meeting

LD1104124396 Moscow ITAR-TASS in English 1159 GMT 11 Apr 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, April 11 (Itar-Tass) — Ukraine will stick to its present foreign policy course in discussions with other heads of the Commonwealth member-countries on Friday [12 April], according to Ukraine's Foreign Ministry spokesman Yuriy Sergeyev.

Sergeyev told Tass on Thursday that the delegation of Ukrainian government officials led by Prime Minister Yevheniy Marchuk will "not go beyond the framework of its national interests" when discussing items on the CIS summit agenda.

He also said the CIS leaders would review 14 packages of issues related to social, economic, organizational, technical and financial spheres.

Among the principal issues to be considered by the meeting is a plan for CIS integration in 1996 and 1997.

Other major items on the agenda concern an intergovernmental programme of concerted struggle against organized crime and felonies in CIS states until the year 2000 and a joint statement which the governments will release to commemorate the 1986 disaster at the Chernobyl nuclear power plant located in Ukraine.

Ukraine: Relations With NATO, Upcoming Solana Visit Viewed

AU1104104096 Kiev HOLOS UKRAYINY in Ukrainian 10 Apr 96 p 4

[Report by Valentyna Pysanska: "NATO Reserves a Special Role for Ukraine"]

[FBIS Translated Text] **NATO's Secretary General Javier Solana will begin his trips to countries of central and eastern Europe with a visit to Kiev on 15 April. He will also visit Tallinn, Riga, Vilnius, Budapest, and Warsaw.**

It will be Solana's first visit to Ukraine. It is, therefore, not accidental that, in the middle of last week, in Brussels, at the NATO headquarters, a special meeting of the political committee was held that dealt with issues of development of Ukraine's cooperation with this international organization — "16 Plus One." Plus one — because Ihor Kharchenko, chief of the administration for political analysis and planning at Ukraine's Ministry of Foreign Affairs, took part in its work.

UKRINFORM reported that the issues addressed there included, in particular, the question of architecture of European security, the development and intensification of relations between Ukraine and NATO, the eastward expansion of the North Atlantic Alliance, and the place and role of Ukraine in this process. It is of interest that, on the eve of the "16 Plus One" meeting, Javier Solana, in an interview for journalists from those countries that he plans to visit, said, while pointing out our country's important contribution to the operation to implement the peace plans in Bosnia-Herzegovina, where a Ukrainian ground troop subunit was present and heavy aircraft used, that NATO wishes to establish and develop special mutual relationships with Ukraine. Moreover, relationships that would be more extensive than cooperation within the framework of the "Partnership for Peace" Program. It is true, though, that Solana declined to elaborate what specific cooperation he meant, but remarked that it will be fundamental.

Nor did Yuriy Serheyev, chief of the Foreign Ministry Information Department, clarify the situation. Answering the question of the HOLOS UKRAYINY correspondent on possible new variants of cooperation with NATO, he said that Ukraine, in view of its geopolitical situation and economic potential and also the fact that it is a balancing factor for Europe, does, in fact, raise the question of its special partnership with NATO.

This does not mean, however, added Mr. Serheyev, that NATO is ready to open its arms to us. This is just a matter of intensifying a political dialogue within the framework of he "Partnership for Peace" Program.

At their recent meeting, representatives of the NATO member countries — political directors — pointed out Ukraine's special place in building the system of general European security and expressed understanding for its positions regarding the need to take into account the interests of those countries that are not presently seeking NATO membership.

The present situation, in which, in view of the future NATO expansion, Ukraine may become a buffer zone between the Tashkent Pact countries and those planning to join the North Atlantic Alliance, cannot but remain a matter of concern in our state. Even though quite a number of Western experts agree that NATO's door will not be opened to the three Baltic states and Ukraine, it is impossible to avoid their cooperation with the alliance.

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How it will develop in the future and what forms and variants it will acquire will, to some extent, become known from the results of Javier Solana's planned visit to a number of central and eastern European countries.

Ukraine: Parliament Groups Criticize U.S. Helms-Burton Law on Cuba

LD1104153296 Kiev UNIAN in Ukrainian 1000 GMT 11 Apr 96

[FBIS Translated Text] Kiev [no date as received] — A number of Ukrainian Supreme Council factions and deputy groups have issued a statement regarding Cuba and the situation there. In particular, the communists, socialists, the Peasant Party of Ukraine, the interparliamentary Ukraine-Cuba group, the Independents, and the Interregional Deputy Group issued the statement. The statement points out that "the situation regarding Cuba since U.S. President Bill Clinton signed the Helms-Burton law is now becoming acute once more. This act envisages the strengthening of a tough economic blockade of Cuba by applying sanctions against countries, organizations and private individuals maintaining normal relations with Cuba".

The statement's authors point out: "Bearing in mind that the adopted Helms-Burton law is not of a territorial nature and is aimed at making the blockade of Cuba international in nature, this issue concerns our state directly, especially as this makes the treatment of Ukrainian children affected by the Chernobyl misfortune in Cuba impossible".

The statement's authors consider it necessary to condemn the practice of using levers of political, economic, financial and trade pressure on Cuba for political ends and to promote the further improvement of relations between Ukraine and Cuba.

Ukraine: Interior Ministry Protests 'Forced Labor' in Poland

LD1204070596 Moscow ITAR-TASS in English 0641 GMT 12 Apr 96

[By Galina Nekrasova]

[FBIS Transcribed Text] LVOV April 12 (Itar-Tass) — The Interior Ministry of Ukraine has made a protest to the Polish Embassy over the forced labour of Ukrainian citizens in Poland, a spokesman for the Ministry told Tass.

Trying to find a job, 19 residents of the city of Ivano-Frankovsk availed themselves of the services of an agent firm and went to work at a Polish labour camp for women. The Ukrainians built hothouses there and began to grow vegetables. Their passports were taken away from them, and they were forced to work with toxic chemicals without special clothes. The Ukrainians worked 14 to 16 hours a day, and their wages were smaller by 2.5 times than those, stipulated by their contract. The contract was signed for six months, and during the whole period they had to live in structures, that were not suitable to be used as dwellings. The information about the horrible living and working conditions of those people reached Ukraine with the help of the Polish women, who are serving prison terms at the labour camp.

Ukraine: Kostenko Discusses Chernobyl Deal With G-7

BR1104121496 Paris LA TRIBUNE DESFOSSES in French 10 Apr 96 p 8

[Interview with Ukrainian Environment Minister Yuriy Kostenko by Alain Guillemoles in Kiev; date not given: "For Ukraine the Number One Priority Is the Sarcophagus"]

[FBIS Translated Text] Ukrainian Environment Minister Yuriy Kostenko is negotiating the "compensation" which the G-7 will grant to Ukraine in exchange for the closure of Chernobyl. In December 1995 he signed the Ottawa memorandum, in which Ukraine promised to close the power plant in exchange for a check for $2.3 billion.

[Guillemoles] Since the signing of the memorandum, have you reached agreement on the process that will lead to the closure of Chernobyl?

[Kostenko] No, we have not reached agreement. The memorandum was merely a declaration of principle that mentioned initial sums to begin the work. Ukraine has so far not received any of the money mentioned. If Ukraine receives this money, and receives it in time, then the power plant will be closed down around the year 2000. As soon as we have the financial resources, we can begin work. But the money will have to arrive before the end of the year. Negotiations are continuing with the G-7. The last meeting concentrated on preparing a specific agreement with the international financial institutions (the European Bank for Reconstruction and Development and the World Bank — LA TRIBUNE DESFOSSES editor's note). We are only preparing this agreement.

[Guillemoles] Do you expect this agreement to be signed in Moscow during the G-7 summit on 19 April?

[Kostenko] No. We are only expecting this summit to lead to a solemn declaration in which the G-7 countries undertake to cooperate with Ukraine in order to solve all the problems linked to the Chernobyl power plant. There

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are four problems: replacing Chernobyl's electricity generation capacity; creating a company to store nuclear waste; transforming the sarcophagus surrounding the fourth reactor into an ecologically safe system; and recycling the power plant's operators.

[Guillemoles] Together with the G-7 have you found a solution to the problem of waste?

[Kostenko] That is part of the dismantling of the power plant, because without the infrastructure to process waste, it will be impossible to close it. Some 95 percent of our waste, of all kinds, is found at Chernobyl. In the past, this waste used to leave for Russia, but Russia passed a law banning the import of waste. In addition, that solution cost us a lot of money. We would like to build a waste processing plant on the Chernobyl site.

[Guillemoles] Is your priority to shut down the power plant, or is it to finance the work on the sarcophagus surrounding reactor number four?

[Kostenko] In Ukraine's view, the number one priority is the sarcophagus. The safety conditions at Chernobyl have been stepped up so much that, to my mind, an accident like the one in 1986 is impossible today. Moreover, there are other Chernobyl-type RBMK reactors located throughout the territory of the former USSR. Chernobyl is not the least reliable one.

The plant's operation is under control. The same cannot be said of the sarcophagus. There are still 200 tonnes of fuel inside it, and we are not exactly sure how this fuel behaves.

National Affairs

Ukraine: Crimean Party Activist Seriously Wounded in Explosion

LD1104133496 Moscow Mayak Radio Network in Russian 1240 GMT 11 Apr 96

[FBIS Translated Text] An explosion took place this morning in Simferopol when the door of an apartment was blown. The apartment belongs to Vladislav Sverdlovskiy, deputy chairman of the revision commission of the Party of Economic Revival. As a result of the explosion, he has been taken to hospital with serious wounds. His wife has also been injured.

On the previous day, there was another blast in Simferopol at the apartment of another activist of the party. Fortunately, nobody was injured in that earlier explosion. The Party of Economic Revival has an all-Ukrainian status and in numerical strength, it ranks as the second largest party after the Communist Party of Crimea.

Ukraine: Engineer Reports Radioactive Waste Leak at Nuclear Plant

AU1104171396 Paris AFP in English 1644 GMT 11 Apr 96

[FBIS Transcribed Text] Kiev, April 11 (AFP) — Radioactive waste has leaked from a tank at a nuclear power station in southern Ukraine, officials at the plant said Thursday [11 April].

A small amount of liquid waste leaked from the special tank used for transferring spent fuel on Wednesday, contaminating a patch of ground of approximately five square metres, the plant's senior engineer Leonid Korchagin told AFP.

"Nothing happened. A mark of five square metres on premises of several kilometres — it's nothing," Korchagin said.

The waste, discovered during a radioactivity control Thursday morning, was mopped up at 2:00 PM (1400 GMT).

Ukraine: Disarmament Process Said To Favor Russia

AU1104170096 Ivano-Frankivsk HALYCHYNA in Ukrainian 6 Apr 96 p 3

["Brief account" of article by Ukraine's people's deputy Borys Kozhyn "especially for HALYCHYNA": "Ukraine's Disarmament Is Reinforcement for Russia's Military Potential"]

[FBIS Translated Text] [begin box] On 19 February, at the international conference "A New Form of European Security" held in Krakow (in the Republic of Poland), Ukraine's people's deputies Borys Kozhyn and Yevhen Lupakov met with Chechen representative Usman Imayev. As is known, Usman Imayev headed the Chechen delegation at the peace talks with Russia in the course of which the Agreement on a Peaceful Settlement of the Situation was signed on 30 June 1995. Usman Imayev is presently in Europe in search of a peaceful solution to the military conflict at an international level. In the course of the meeting, concern was expressed about security in post-communist countries. [end box]

After the disintegration of the USSR, there remained more than 30,000 nuclear warheads and hundreds of strategic bombers that later started to be withdrawn to the territory of Russia at the mutual consent of the CIS countries and the United States. The participants in the meeting arrived at the conclusion that Ukraine had started implementing the agreement too quickly. A strong and armed Russia, with its internal political

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instability, poses a greater threat for Ukraine than strategic offensive weapons maintained on its territory would, weapons that were so expeditiously transferred to Russia.

Yes, Ukraine fulfills its international commitments by transferring its strategic weapons to Russia, but one is justified in raising the question: Who will take care of its security? Russia? No, because one constantly hears its threats to bring Ukraine to its knees. The NATO alliance? Also no, because Ukraine's intentions to join the alliance in the future and Ukraine's participation in NATO's "Partnership for Peace" program met with Russia's hostile attitude, and NATO hastened to state that its eastward expansion was a matter for the distant future and that Russian interests would primarily be taken into account. Thus, it is Russia that determines the strategy of NATO's development, and it depends upon Russia who will be a NATO member. It is now easier for Russia to impose its conditions not only upon the CIS countries, but also upon NATO, because almost the entire nuclear strategic arsenal is already on Russian territory.

Without denying Ukraine's peaceful policy, its compliance with the 1991 treaty between the USSR and the United States on the reduction of strategic offensive weapons (START-1), or our country's status as a nonnuclear country, the participants in the meeting stressed Ukraine's obligations to give up totally the strategic nuclear weapons on its territory and especially the economic aspect of the problem. This mainly applied to strategic missiles. There used to be 1,240 land-based warheads on combat duty. By now, Ukraine has already dismantled 80 RS-18 missiles and the 96 missiles contained within protected launch silos have had their targetting information deprogrammed, whereas Russia has not undertaken similar actions. Nuclear warheads only remain in 10 intercontinental ballistic missiles in western Ukraine. However, over 1996, all nuclear warheads are to be withdrawn to Russia, including those presently stored at nuclear bases. Ukraine is in such a hurry to destroy the launch silos on its territory that it has forgotten a simple truth: The more silos it destroys, the less Russia has to destroy on its territory. The START-1 treaty specifies the total number of silos to be destroyed without mentioning concrete CIS states. Was it really worth Ukraine's while on 5 January 1996, in the presence of the U.S. and Russian defense ministers, to start destroying the silos, before Russia itself started doing this?

Ukraine is to get $350 million within the framework of the Nunn-Lugar program for the entire stockpile of nuclear and strategic weapons, whether transferred or destroyed, and Russia intends to sell each warhead to the United States for $1 million. On the warheads alone Ukraine, while getting $350 million, may lose $890 million. Things are even worse with the strategic aviation. There are 21 strategic supersonic bombers Tu-160 and 25 Tu-95 MS in Ukraine. They are equipped with advanced long-range cruise missiles of H-55 [X-55] type. Russia has just nine Tu-160 aircraft, but here, too, some Ukrainian pro-Russian military officials decided not to stay behind and granted assistance to "poor" Russia, having agreed to sell it, at a damping price of $75 million, 10 Tu-160 and 12 Tu-95 MS. By way of comparison: The price of a single U.S. aircraft of a similar class — B-18 [as published] — is $300 million. Moreover, Russia is not going to pay with dollars, but with rubles and spare parts for the aircraft.

Speaking about strategic weapons, it is necessary to recall that Russia modernizes its weapons instead of destroying them, and it has already added to its arsenal new strategic missile complexes Topol-M (RS-12M2). Strategic aviation is again deployed in Mozdok (North Ossetia).

It remains unclear what happened to the nuclear warheads transferred to Russia by CIS states. When Russia proclaimed itself as successor to the USSR, it had 30,000 warheads, whereas now, there only figure 6,833 warheads in Russia (8,711 in the United States). Could it be that the remaining weapons have gone to an unofficial level — to dealers in the shadow economy?

Having transferred its strategic weapons to Russia, Ukraine not only failed to gain military security, but its economic situation also worsened. The United States and Russia are presently discussing the issue of buying nuclear warheads from Russia at $1 million each. Simple arithmetic prompts that, in this manner, Russia will obtain $30 billion through the accord alone.

Ukraine would find what to do with a part of this huge sum of money.

Things are no better with the Navy. It is not clear on what principles, when dividing the Black Sea Fleet, Ukraine's plenipotentiary representatives agreed to leave ships of dissimilar types for Ukraine — it is more difficult and expensive to service such ships. At the same time, Russia, having received advanced ships, has entirely different plans. While cutting, within the framework of the START-1 Treaty, 44 nuclear submarines of obsolete type and 1,867 RSM-25, RSM-40, and RSM-50 missiles and getting financial compensation from the United States, Russia concurrently is developing a program for modernizing its fleet and plans, by the year 2010, to increase the total combat potential of its ships 2.5 to three times compared to the combat potential of the USSR fleet in 1990. This amounts to more than 70 multipurpose

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atomic submarines, including 20 assault submarines with cruise missiles, more than 300 main-class surface ships, and up to five aircraft carriers; these aircraft carriers can also carry more fighters — up to 50 each with a tactical radius of up to 1,200 kilometers and approximately 10 antisubmarine aircraft. The aircraft carrier "Admiral Kuznetsov" alone can now carry 48 Su-27K interceptor fighters and low-flying Su-25 attack aircraft plus 12 ship-based helicopters.

Russia can afford this. It also intends to obtain, in conformity with the agreement signed in the past with the United States, more than $12 billion by supplying to the United States enriched uranium and other nuclear materials, including those withdrawn from Ukraine. What is disarmament for Ukraine is military buildup and economic enrichment for Russia. Moreover, last year, Russia also received an international credit of more than $6 billion for such disarmament, and this year, it has been promised as much as between $9 billion and $12 billion. Had it not been for the Russian-Chechen war, it is hard to say what Ukraine's security would have been last year.....

Considering the issue of reduction of conventional types of weapons, it is also quite easy to see the thoughtlessness and enthusiasm with which highly-placed Ukrainian military figures eliminate most advanced weapons, turning them into scrap. They may have decided to win in the "communist emulation," for otherwise it is difficult to explain why Ukraine is more than 20 percent ahead of the rates of reduction envisaged by the CFE Treaty, all the more so considering that Russia fulfills this treaty by just 21 percent. According to the chief of staff of Russia's ground troops, Russia itself, with its more than 10,000 armored vehicles subject to destruction, has only liquidated a little more than 2,700 of them. Perhaps these are those same pieces that were destroyed by the Chechens in battle. The Chechens were able to test for themselves both the weak and strong sides of the Russian war machine and could draw the main conclusion — that quantity and quality of military hardware are absolutely irrelevant to the ultimate result of the battle. The most advanced Russian tanks T-80 turned out to be helpless in urban conditions against the conventional RPG-7 grenade launchers.

The participants in the meeting stressed that Ukrainians should feel like Ukrainians in their own fatherland without heeding what Russia says. Russia's numerous communications run across Ukraine and earn fabulous profits for that country (the greater part of Russian oil export is through the "Druzhba" oil pipeline), while Ukraine lives in misery thinking of whether or not it should raise the transit tariff for one metric ton of oil transported across its territory, while Russia threatens, without any courtesies, to disconnect Ukraine from the single energy system.

It is only a powerful, stable, and truly independent Ukraine that may guarantee security for the CIS and eastern Europe. This was the conclusion arrived at by the Ukrainian parliamentarians and the Chechen representative at the international conference in Krakow.

Ukraine: Parliament Speaker 'Intends To Resume' Duties 16 Apr

LD1104120996 Kiev UNIAR in Ukrainian 1130 GMT 11 Apr 96

[FBIS Translated Text] Kiev [no date as received] — As a UNIAR correspondent learned from people's deputy Serhiy Kiyashko, secretary of the political executive committee of the Socialist Party of Ukraine, Oleksandr Moroz, head of the Supreme Council of Ukraine, has been visited in hospital by a group of friends. There is only one conclusion: Oleksandr Moroz firmly intends to resume his duties on 16 April. There are no particular objections on the part of doctors. This has been confirmed by people's deputy Yevhen Krasnyakov, member of the faction "Komunisty," who quoted a conversation with Oleksandr Tkachenko [first deputy chairman of the Supreme Council].

Ukraine: Kiev Plans To Close Mines, Restructure Coal Industry

LD1104164596 Kiev UNIAN in Ukrainian 1320 GMT 11 Apr 96

[FBIS Translated Text] [no date as received] — By the beginning of April, 403 state enterprises had been created on the basis of Coal Industry Ministry sub-units, the UNIAN news agency learned at the ministry.

In accordance with the president's decree "On Structural Reconstruction of the Coal Industry", it is possible to separate facilities, which are part of production associations but are not connected to coal extraction from coal extraction and coal concentrating enterprises after all of the sector's state enterprises have been registered (approximately 70 percent have been registered so far).

When coal extraction and coal concentrating enterprises are being incorporated, the property of these facilities will not be included in the value of the property of the joint-stock enterprises set up.

The Coal Industry Ministry has made a list of state enterprises subject to corporatization, as well as a schedule for carrying this out, and has sent them to the Economy Ministry and Antimonopoly Committee for examination, and they will probably approve them next week or thereabouts.

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In accordance with the presidential decree, 38 mines and two open pits have been deemed the most loss-making, and it is planned to close these down first. The Coal Industry Ministry plans to close down eight mines in 1996.

The Coal Industry Ministry has approved closure projects for 15 mines and one open pit, while similar projects are being drawn up for the others. The expenditure linked to closing mines and open pits is assessed at 126 trillion karbovantsi. It is expected that the sector's losses will be reduced by 33 trillion karbovantsi as a result of carrying out the program to close the 38 loss-making mines.

Ukraine: Official Admits 'Widespread Corruption' in Crimea

WS1204062596 Kiev UKRINFORM in English 1350 GMT 11 Apr 96

[From the "Current Events" feature]

[FBIS Transcribed Text] [no date as received] — As UKRINFORM's correspondent in Simferopol, Crimea's capital city, reported, speaking at a session in Simferopol on April 10 which deliberated on the activities of the Crimean Coordinating Committee for fighting corruption and organized crime, Mykhaylo Korniyenko, chief officer of the Crimean Main Agency of the Interior, admitted widespread corruption both within the autonomous republic's government bodies and the Supreme Soviet of Crimea. According to Mr. Korniyenko, as many as 101 deputies of all levels and government officers have been found involved in diverse crimes, which will necessitate legal proceedings against them. As Mr. Korniyenko complained, too many of deputies and government officers in Crimea are engaged in shady businesses. As the Crimean interior agency chief disclosed, five racketeer gangs have been busted of late in Crimea, and an attempt to assassinate one well-known person has been foiled by Crimean law enforcement bodies.

Economic Issues

Ukraine: Ministry Announces Market Reforms in Energy Sector

WS1204090996 Kiev INTELNEWS in English 0124 GMT 12 Apr 96

[By Oleksandr Pukhov, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, April 11. Ukraine's long-awaited energy market program has begun to function, the Energy Ministry announced Thursday.

According to the announcement, program became effective on Wednesday, the fulfillment of a government pledge issued late last year — as state energy debts began piling up at the beginning of the winter — to open Ukraine's energy market to competitive forces.

The ministry said that the new rules — which allow any energy producer to link up to Ukraine's energy grid after receiving a license from the state — along with the creation of a new energy exchange is aimed at reducing the cost of electricity supplied to consumers.

While the government's new energy market program provides for privatization and competition among energy producers, it also mandates that all nuclear facilities and high-voltage networks of more than 220 kilowatts are to remain 100 percent state owned.

Ukraine's current energy market is divided into eight regional enterprises in charge of all facilities within their territory.

According to the ministry, it is currently owed about KBV250 [karbovantsi] trillion (about $1.3 billion) by consumers of electricity.

Ukraine: Customs Duties To Be Aligned With WTO System

WS1104092096 Lvov INFOBANK in English 0635 GMT 11 Apr 96

[From the "News Service" feature]

[FBIS Transcribed Text] On April 6 President Kuchma signed a decree which gives approval to a concept for the transformation of customs tariffs in Ukraine for the years 1996-2005 in accordance with the system used by the General Agreement on Tariffs and Trade and the World Trade Organization (GATT/WTO).

According to the concept the transformation of customs tariffs will be carried out through gradual changes to current customs duty rates, thus avoiding the import of goods which cause or could cause serious damage to national production. The gradual transformation maximum customs duty rate levels in accordance with GATT/WTO will take place over a transitional period of 3-10 years. Thus the maximum customs duty rate level for industrial goods will not exceed 30 percent of their customs value and for agricultural products this figure will be 70 percent.

The transformation of customs tariffs provides for establishing low customs duty rates on raw materials, medium rates for semi- finished products, and high rates for finished products. In addition, high customs duty rates will apply to:

— chemical goods if such goods are manufactured or can be manufactured in Ukraine with the gradual

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lowering of such rates during the transitional period to a level determined to be in harmony with GATT/WTO tariffs for the same goods (semi-finished products used in the manufacturing of chemical goods should not have high custom duty rates applied to them);

— goods manufactured from ferrous metals if such goods are manufactured or can be manufactured in Ukraine;

— civilian planes and their parts with further decreases in rates during the transitional period to the level stipulated in the Uruguay round of GATT talks;

— agricultural products, machinery and equipment if such goods are manufactured in Ukraine while at the same time establishing low customs rates on those types of machinery and equipment which are not manufactured in Ukraine and which are needed for the development of the agribusiness complex;

— luxury items, automobiles.

Customs duty rates on goods subject to excise taxes may exceed 70 percent of their customs value. Medium customs duty rates will be established for textiles, clothing and other products manufactured by light industry with a gradual change during the transitional period to low customs duty rates.

Ukraine: Cabinet Decree Establishes National Nuclear Energy Company

WS1104100596 Kiev INTELNEWS in English 0234 GMT 11 Apr 96

[FBIS Transcribed Text] Vienna, April 10 [dateline as received] — The Cabinet of Ministers has passed a draft presidential decree establishing the national EnergoAtom Company, which will comprise five Ukrainian nuclear power plants and the State Nuclear Energy Committee.

The draft stipulates establishment of the company by May 1, and according to the Acting Chairman of the State Nuclear Energy Committee, Nur Nihmatulin Nihmatulin, the document signed by Ukrainian Prime Minister Yevhen Marchuk was submitted to the Presidential Administration this week.

In conformity with the draft decree, the company's primary task will be to finance the development of a nuclear energy branch which will establish scientific-research programs, resolve the problem of radioactive wastes, and construct new production facilities.

Ukraine: Growth in Agricultural, Industry, Transportation Cited

WS1204090596 Kiev INTELNEWS in English 0124 GMT 12 Apr 96

[FBIS Transcribed Text] Kiev, April 11. The largest growth of fixed assets in Ukraine has been observed in transportation, agriculture and industry, according to the Statistics Ministry.

An increase of 4.3 percent was observed in the transportation industry; 3.5 percent in agriculture; and 3.4 percent in industry.

The approximate value of fixed assets in Ukraine was KBV12,548 [karbovantsi] trillion at the end of 1995, with production assets calculated at KBV7,146 trillion and non-production assets at KBV 5,402 trillion.

The growth rate of fixed assets in 1995 was 3.5 percent (3.7 percent for production assets and 3.2 percent for non-production assets).

Ukraine: Kuchma Decree on Stabilizing Enterprises Detailed

WS1204090496 Kiev INTELNEWS in English 0124 GMT 12 Apr 96

[FBIS Transcribed Text] Kiev, April 11. President Leonid Kuchma has issued the new Decree on Measures to Stabilize the Financial State of Enterprises, which proscribes credit extensions and indexation of capital assets as the primary means for stabilizing business operations.

According to the President's decree, which was published on Tuesday, Ukrainian and jointly-owned enterprises alike will be exempted from payment of fines calculated in compliance with the Presidential decree of March 16 1995, On Measures to Normalize Payment Discipline in the Economy of Ukraine (with amendments introduced on March 31 and Dec. 9, 1995).

Simultaneously, enterprises are exempted from paying fines on the sum of overdue debts in favor of creditors as of April 1, 1996 (provided those debts were not paid as of April 5).

The President also ordered the indexation of the book cost of enterprises' reparation of capital assets before June 1 (with the exception of housing facilities).

The Cabinet of Ministers is ordered to pass, within a two-week period, an indexing procedure and a program to compensate expenditures on capital assets. The government is also ordered to extend the repayment of National Bank of Ukraine (NBU) credits and state loans

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received by businesses in 1994-95 until Dec. 1, and extend until that date the repayment of interest on overdue debts for use of these funds.

Kuchma also amended Decree #127 of March 16, stating that "the amount of the fine shall not exceed 50 percent of the sum of indebtedness." NBU is ordered, upon agreement with the government, to set, from July 1, the fine rate proceeding from the current rate of inflation.

According to Presidential administration chief Dmytro Tabachnyk, the decree is a consequence of Kuchma's participation in a congress of the Ukrainian Union of Industrialists and Entrepreneurs (UUIE) held in Kiev during the past week. Tabachnyk called the decree "a culmination of the joint efforts by UUIE and industry-related ministries," and added that solving the crisis of credit non-payment is one of the most important steps in improving the current economy.

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Belarus

Belarus: Defense Minister Discusses Russian Missiles, Army's Future

LD1104202096 Moscow INTERFAX in English 1625 GMT 11 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] — Belarusian Defense Minister Lieutenant-General Leanid Maltsaw has granted an interview to Interfax correspondent Vyacheslav Zenkovich.

IF: The withdrawal of Russian strategic missiles from Belarus is to be completed this year. Has the time-table been observed so far?

MALTSAW: Yes, it has. When Belarus went independent, it inherited 81 strategic nuclear missiles from the disbanded Soviet Union. Under international agreements to which Belarus is a party the missiles are to be withdrawn. Currently there are a mere 18 strategic missiles left. They are scheduled to go by the end of this year.

President Lukashenka has said more than once that Belarus, which has strictly observed its commitments to nuclear arms withdrawal in spite of its serious economic problems, cannot stay neutral to statements by the leaders of some East European countries about their intention to join NATO and allow the deployment of NATO nuclear missiles in their territories.

I fully share the position of our president, who has warned that Belarus will take adequate measures if this does happen.

IF: Do you think it is possible that the withdrawal of nuclear missiles from Belarus will be suspended (with Russia's consent, of course) in case some East European countries join NATO and the alliance's nuclear arms are deployed in their territories?

MALTSAW: I believe that such drastic steps won't be necessary. The international community is aware of the perils such counter-productive steps are fraught with.

The Belarusian leadership will act in accordance with the situation.

IF: Is it possible that Belarusian army units will be redeployed closer to the border with Poland in case that country joins NATO? Is it possible that Russia will set up its military bases near the border if Warsaw joins NATO?

MALTSAW: It's hard for me to say anything definite about the possibility of Russian military bases in Belarus. Even if their deployment proves feasible at some future date, that question will have to be studied carefully in order to find out whether such a step agrees with Belarusian legislation.

However friendly, Russia will remain a foreign country to us. The deployment of foreign military bases in its territory is a juridically complicated problem.

As for the redeployment of army units closer to the Polish border, let me say once again: the Belarusian leadership will act in accordance with the current situation.

If Poland is admitted in NATO, Belarus will have to take adequate measures, both political and military.

The concentration of troops on the Polish border is an extreme measure that can be taken only after all political means to settle problems posed by attempts to change the current military-political balance in Europe have been exhausted.

I am certain that such extreme steps won't be necessary. Everybody is aware of how harmful military confrontation would be.

IF: Wasn't it a mistake on Belarus's part to renounce its own nuclear arms? From the standpoint of today's realities was that step politically far-sighted and well-considered?

MALTSAW: It is hard for me to give an unambiguous answer.

As a military officer I believe that the Belarusian nuclear arms should have been evaluated immediately after the breakup of the USSR and Belarus paid a compensation for the missiles to be withdrawn. That would make it a whole lot easier to tackle financial problems.

I cannot judge whether the decision to give up the nuclear potential was politically far-sighted or not, because I have no idea of the details of the political situation, which existed at the time the decision was made. It is very likely that the decision was a populist one to a certain extent. However, in the context of euphoria of those days apparently that was inevitable.

When Belarus declared itself nuclear-free, it made a beautiful gesture, but received nothing in return. True, the effects of the decision to remove the missiles could have been calculated more accurately. And in any case the decision was far from reasonable from the economic point of view.

IF: How do you see the situation involving the CFE [Conventional Forces Europe] treaty?

MALTSAW: Belarus has complied with all of its commitments to that treaty.

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Since 1992 it has scrapped 1,873 tanks, 1,441 armored vehicles and 130 warplanes. In keeping with the quotas set for Belarus its army has retained 1,800 tanks, 2,600 armored vehicles, 1,615 artillery pieces, 294 warplanes and 80 helicopter gunships.

Belarus is still to scrap a hundred armored vehicles. That done, Minsk will be able to say it has honored the CFE treaty in full.

Last week the number of tanks to be scrapped was greater by 100 tanks. However, now, that a contract has been signed to hand over one hundred vehicles to Hungary, the need to destroy them is no more.

Hungary earlier pledged to destroy 100 tanks of the older model, and Belarus replaced them with as many modern vehicles. The deal benefited both sides.

IF: Minsk and Moscow have declared the policy of integration. How will this affect the Belarusian armed forces?

MALTSAW: On the whole it will have a favorable effect.

It is important to remember that the Belarusian army remains the army of a sovereign state. It is subordinate to one commander-in- chief, the Belarusian president.

Under the concluded agreements Russia will repair military equipment and do maintenance work, train personnel, supply fuels and lubricants for combat duty and let use test sites for firing practice, in particular, for long-range anti- aircraft weapons free of charge.

Some politicians have been telling the people that the Belarusian military would be sent to fight in Chechnya. These are flagrant lies. Belarus has a law that prohibits its military servicemen from taking part in wars outside the country's borders.

IF: But don't you think that a well-equipped Belarusian army needs officers with combat experience?

MALTSAW: I strongly disagree with this. Modern equipment and system of control make it possible to model any types of combat operations. Experience has shown that if troops are well-trained, there are no problems in real action.

Human lives are far more important than dividends from the presence of officers baptized by fire. The more so, since we have enough officers with Afghan war experience. We simply must use them more effectively.

IF: Aren't there any plans for establishing a joint command or an allied command of some separate army group?

MALTSAW: No, there are not. But there will be comprehensive policy coordination. Each country decides on its own what kind of army it needs.

Even in case of combat operations there will be no coalition command. Each country will command its army and coordinate plans.

Moldova

Moldova: General Creanga Resumes Post as Defense Minister

AU1104172596 Bucharest Radio Romania Network in Romanian 1600 GMT 11 Apr 96

[FBIS Translated Text] Today Division General Pavel Creanga resumed the leadership of the National Defense Ministry of the Republic of Moldova. However, the principal leadership functions of the armed forces, including the appointment of employees of that ministry, are to remain in the hands of the supreme commander, Mr. Mircea Snegur, president of the Republic of Moldova.

According to a report of our Chisinau correspondent, Valentin Tigau, General Pavel Creanga has not performed his duties since 16 March, when, being charged with corruption, he was deposed by presidential decree. The Constitutional Court of Moldova, however, later considered that decree as illegal.

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Kazakhstan

Kazakhstan: Nazarbayev Suspends Mandate of Supreme Court Chairman

LD1104124496 Moscow ITAR-TASS in English 1225 GMT 11 Apr 96

[By Vladimir Akimov]

[FBIS Transcribed Text] ALMATY, April 11 (Itar-Tass) — By a decree published on Thursday, Kazakhstan President Nursultan Nazarbayev suspended the mandate of chairman of Kazakhstan's Supreme Court, Mikhail Malakhov. The reason for this is that criminal proceedings were instituted by Kazakhstan's Procurator-General against the Republic's top judiciary official. The document does not specify the charges.

Meanwhile, back in early February they were reports that Kazakhstan's National Security Committee began an investigation into Malakhov's accepting a foreign-made automobile as bribe. The automobile was valued at around 450 thousand tenge, roughly 33 million roubles at the official rate of exchange.

Judge of the Supreme Court Utegen Ikhsanov presented proofs of Malakhov's guilt, inlucing a tape of his telephone conversation with the briber, the briber's official voluntary confession, and the bill for the car received by Malakhov.

More than two dozen criminal proceedings against high officials were instituted in Kazakhstan in the past two years. Sentence, however, were passed on only one occasion.

Deputy Defence Minister, Major-General Valery Sapsay was sentenced to eight years of imprisonment for illegal export of a large consignment of arms, and Colonel Zhaylaubay Sadibekov, chief of the Agency of Material Resources and Foreign Economic Relations of the Defence Ministry, was sentences to four and a half years in prison.

Kazakhstan: Nazarbayev Dismisses Monetary Policy Chairman

LD1204120196 Moscow ITAR-TASS in English 1112 GMT 12 Apr 96

[By Vladimir Akimov]

[FBIS Transcribed Text] ALMATY, April 12 (Itar-Tass) — Petr Svoik, Chairman of the State Committee for Prices and Anti-Monopoly Policy, was dismissed by a decree of Kazakhstan's President Nursultan Nazarbayev.

The dismissal was suggested by Prime Minister Akezhan Kazhigeldin. A meeting of the Presidium of the Cabinet of Ministers on Thursday found the work of Petr Svoik unsatisfactory.

He was blamed for failing to provide guidance for the functioning of territorial bodies, which resulted in lack of coordination in the policy of pricing at a regional level, the lack of purposeful action in a number of regions for the analysis and lowering of prices of some services.

At the same time local observers do not preclude that one of the reasons for Svoik's dismissal was his activity as Chairman of the Socialist Party and his critical remarks about Kazakhstan executive authorities.

Kazakhstan: President Establishes Higher Economic Council

LD1204104796 Almaty Kazakh Radio First Program Network in Russian 0800 GMT 12 Apr 96

[FBIS Translated Text] The president [Nursultan Nazarbayev] of the Republic of Kazakhstan has issued a decree establishing a Higher Economic Council under the president of the Republic of Kazakhstan. The text of the decree is to be published in the press.

Kyrgyzstan: New Interior Minister Appointed

LD1104191896 Bishkek Kyrgyz Television Network in Russian 1430 GMT 11 Apr 96

[FBIS Translated Text] A new head has been put in charge of the Ministry of Internal Affairs. He is a 45-year-old Police Colonel Omurbek Alymbekovich Kutuyev.

[Unidentified Correspondent] Prime Minister Apas Dzhumagulov, Kuanychbek Dzhumaliyev, the head of the presidential staff, and General Beksultan Yeshimov, the secretary of the Security Council, presented the new minister.

In his report, Apas Dzhumagulov dwelled on the critical crime situation and shortcomings in the activities of the internal affairs bodies, which have aroused a situation of mistrust and [word indistinct] toward the very officers of the ministry. As a result of this, Former Interior Minister Madalbek Moldashev was relieved of his post.

[begin Dzhumagulov recording] The criminal world [words indistinct] and continues its criminal activity. You know, it is particularly unfavorable in the markets both in [word indistinct] and the Osh market in Bishkek, and in the city of Osh and [words indistinct]. As regards [words indistinct], the Ministry of Internal Affairs reported to the government repeatedly on [word indistinct] the measures that were being taken and about other matters. Unfortunately, they were not adequate. Unfortunately, they produced no effect. [end recording]

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[Correspondent] Then the prime minister expressed his hope that the new minister will honor the trust of the president and the people. Omurbek Kutuyev made a speech in reply.

[begin Kutuyev recording] I am deeply aware of the responsibility to the people of Kyrgyzstan, to President Askar Akayevich Akayev, and to the republic's government, [word indistinct] trust in the minister of Internal Affairs [applause]. Although I have not prepared a program, but [word indistinct] I had one program. We will be concerned only our own affairs, which are primarily to ensure proper public order so that people can walk in peace at night, work, and live in peace. [end recording]

Kazakhstan: Power Supply Crisis Reported in Almaty

LD1104181096 Moscow ITAR-TASS in English 1609 GMT 11 Apr 96

[By Vladimir Akimov]

[FBIS Transcribed Text] ALMATY, April 11 (Itar-Tass) — The capital of Kazakhstan — Almaty — is suffering from an acute heating and power crisis. The heating season was ended on April 1st, half a month earlier than usual, and electricity supply is very unstable. In the meantime, last night's air temperature in the city dropped to 5 degrees below zero.

The crisis is due to the acute shortage of fuel at the city's thermal stations. The City Administration has admitted that its reserves were sufficient for only 3 or 4 days. This is why a maximum economy regime was clamped down on the city with the hope that there will be an early spring this year. The power company and the city authorities have no money to buy coal and black oil. The debts of consumers to enterprises of the Almaty Power Company have topped seven billion tenga.

However, weather forecasters cannot say anything reassuring. According to their forecasts, there will be at least two more sharp drops of temperature. Moreover, heavy snowfalls are expected in Almaty and its environments early in May. Faced with this situation, the power workers have asked the city authorities to apply to the Kazakh Government for budget money to buy energy-carriers.

Kyrgyzstan

Kyrgyzstan: Akayev Continues Structural Changes in State System

LD1104202396 Moscow INTERFAX in English 1625 GMT 11 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Askar Akayev has signed a decree on measures to enhance the coordination of privatization with drawing foreign investments.

The presidential office has said the decree is expected to invigorate private sectors of the economy, conduct a common state policy in privatization and the effective use of foreign investments.

President Akayev reformed the general directorate for government investments and foreign aid into the agency for technical cooperation at the State Property Fund of the Kyrgyz republic. Agencies have been set up at the same fund to attract direct foreign investments and promote projects.

Functions earlier performed by the state commission for foreign investments and economic aid will be carried out by the State Property Fund.

President Akayev appointed 40-year-old Askar Sarygulov as the Fund's chairman. Earlier Sarygulov was general director of the state commission for foreign investments and economic aid.

President Akayev has appointed 44-year-old police Colonel Omurbek Kutuyev as the country's Interior Minister, the presidential press-service has said.

Kutuyev has been in the police force for 26 years. A graduate of the Higher Police School in Karaganda, Kazakhstan. Until recently he was chief of the police department for Kyrgyzstan's capital Bishkek.

Kyrgyzstan: President Appoints Head of New Land Management Agency

LD1104174296 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1300 GMT 11 Apr 96

[FBIS Translated Text]

Order by the President of the Kyrgyz Republic on Kasymaliyev

Ajibek Kadyrkulovich Kasymaliyev is to be relieved of his post and appointed to the post of director of the [new] State Agency for Land Management and Land Resources under the government of the Kyrgyz Republic.

[signed] President of the Kyrgyz Republic, Askar Akayev

[dated] Government House, Bishkek, 11 April 1996

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Armenia

Armenia: Public Organizations Form Confederation for Cooperation

NC1104164496 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 9 Apr 96

[FBIS Translated Text] A congress of the Confederation of the Public Organizations [Hasarakakan Kazmakerputyunneri Hamadashnutyun] took place today at the Society for Cultural Ties and Cooperation with Foreign Countries.

Our correspondent Lida Ghazaryan reports:

[begin recording] [Ghazaryan] The purpose of establishing a Confederation of Public Organizations is to strengthen the member organizations through an active and constructive cooperation among them, to assist in the formation and consolidation of a law-based state in our republic, and to shape a civil society.

The main objectives of the confederation are to coordinate and further the cooperation among public organizations with regard to the range of their activities, to develop and productively implement joint development programs, to help and contribute to the democratic reforms, to defend the rights of the public organizations, and to speak for their interests before the state and public organizations.

These issues were discussed in detail at today's congress of the Confederation of Public Organizations. Its bylaws were discussed and adopted. It established a list of departments.

I asked Tigran Pashabezyan, a member of the group trying to initiate the confederation, to tell us how the confederation will help the public organizations.

[Pashabezyan] The public organizations will have the opportunity to prepare and implement joint programs with the appropriate departments. We also have the broader aim of enabling the public organizations, working through the confederation, to help and contribute to the formation of a law-based state in Armenia. [end recording]

Armenia: President Welcomes Efforts To Form Agrarian Union

NC1104155796 Yerevan Radio Yerevan International Service in Armenian 2000 GMT 10 Apr 96

[FBIS Translated Text] Armenian President Levon Ter-Petrosyan on 9 April received the initiative group for the formation of the Agrarian-Farmers Union of Armenia [Hayastani Agraragughatsiakan Miutyun].

The HAYASTANI HANRAPETUTYUN newspaper reports that the president expressed satisfaction with the idea of forming such a union by noting that it is high time to unite the land owning farmers. He indicated that in time, the Industrialists and Businessmen's Union and Agrarian-Farmers Union will form a social foundation upon which a serious political institution of the rightist forces can be erected.

The Armenian president has underlined the crucial and positive importance of land privatization, which turns out to be one of the most important factors stabilizing the country. It enabled the farmers to own land, and despite difficulties the agricultural industry has sustained, in some sectors, it increased the volume of production.

He stressed the importance of improving the sectors engaged in the production of agricultural goods, and in selling and making them available to the consumers. He emphasized the necessity of establishing an active banking system working with the farmers. He hoped the emerging Agrarian-Farmers Union will help solve these problems and defend the rights of the land owners in an appropriate manner.

Azerbaijan

Azerbaijan: Pakistan Supports Azerbaijan in Conflict With Armenia

LD1104202196 Moscow INTERFAX in English 1625 GMT 11 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The government of Pakistan reaffirmed its "complete and unconditional" support of Azerbaijan's position in the Nagorno-Karabakh conflict with Armenia during Azerbaijani President Geydar Aliyev's three-day visit to Pakistan, an Azerbaijani official told Interfax Thursday.

Aliyev, for his part, reaffirmed Azerbaijan's support for Pakistan in its dispute with India over Kashmir, he said.

The visit began Tuesday and will be completed Thursday afternoon. Official results will be announced Friday.

Pakistani Prime Minister Benazir Bhutto told a Wednesday press conference in Islamabad that Pakistan "condemns Armenia's aggression against Azerbaijan and hopes that the consequences of this aggression will soon be erased," the Azerbaijani official said. Bhutto also expressed hope for "the liberation of occupied Azerbaijani lands and the return to Azerbaijan of all its refugees," he said.

Pakistani President Ahmad Khan Leghari made a "similar statement," he said.

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The talks in Islamabad were "very fruitful," he said, "and completely fulfilled our expectations."

The sides signed "important" two-sided agreements, including a joint statement on their intentions to strengthen ties, and agreements on interbank activities, the development of tourist and scientific ties, and avoiding double taxation. They also signed a consular convention, and the towns of Gyandzha, Azerbaijan, and Multan, Pakistan, became brothers.

Pakistan, the official said, is supporting Azerbaijan in the conflict with Armenia "not just in words, but in deed." This includes a planned $1 million humanitarian aid package "for meeting the most pressing requirements of Azerbaijani refugees," Bhutto said. The funds will go toward buying tents, medical kits, and food for the refugees.

Bhutto also declared Pakistan's readiness to join a planned Organization for Security and Cooperation in Europe peacekeeping force in Nagorno-Karabakh, the official said.

Aliyev, he said, considers relations with Pakistan "of primary importance," equal to that of Turkey and Iran among Islamic countries. This stems not just from mutual political support in the international arena, but also from Pakistan's "solid" economic and scientific potential. "Pakistan is one of the few Muslim countries in the world which exports technology," he said.

More specifically, Pakistan can offer Azerbaijan equipment for its modern textile plants, and cement and sugar factories, he said. Pakistan also has a developed metal industry.

Pakistan's active adaptation to new weapons technology is also common knowledge, as it its research in the nuclear area. Connections in fundamental sciences, such as a young scientists' exchange, is "especially promise," he said.

Pakistan, as a veteran of the Muslim scene, could also help Azerbaijan learn to establish good relations with other Muslim countries, the official said.

Azerbaijan, in its turn, is Pakistan's "window to the CIS," he said. Aliyev may have given an analysis of the region's prospects in Islamabad, the official said.

Aliyev and Bhutto may also have discussed Azerbaijan's perspectives for becoming an "oil superpower," entering the world market partly through Pakistani ports. IF Note: Turkmenistan is currently considering construction of a pipeline through Afghanistan to the Pakistani ports on the Indian Ocean. If this project is effective, Azerbaijan could also sign on, experts say.

Azerbaijan: Ambassador Denies Involvement in Chechen Conflict

LD1004132396 Moscow ITAR-TASS in English 1233 GMT 10 Apr 96

[By Aleksandr Valiyev, Tatyana Selivanova]

[FBIS Transcribed Text] MOSCOW, April 10 (Itar-Tass) — "Azerbaijan has never participated, is not participating today and will not participate in the future in any combat operations in Chechnya," Azeri Ambassador in Moscow Ramiz Rizayev said at a press conference today. He doe. not rule out a possibility of the penetration from Azerbaijan into Russia of some people, who intend to take part in the Chechen conflict, but he stressed that the Azeri authorities had nothing to do with it.

According to Rizayev, "a checkup, conducted with the participation of Russian security services, did not reveal bases for training Chechen militants" in Azerbaijan. At present the border between the two countries is being reliably protected by Russian frontier guards, and reports about the flights of Dudayev planes, allegedly deployed in Azerbaijan, for provocative bombing of Chechen villages are an "insult to the Russian anti-aircraft defence system." Any attempt of this kind would be stopped at once, Rizayev said.

Russia and Azerbaijan are interested in preserving their territorial integrity and developing friendly relations, he stressed.

Georgia

Georgia: Shevardnadze, Lithuanian President Sign Cooperation Accord

LD1204120796 Tbilisi BGI in Russian 1100 GMT 12 Apr 96

[FBIS Translated Text] [no dateline as received] — Lithuanian President Algirdas Brazauskas and Georgian President Eduard Shevardnadze on 12 April signed a declaration on widening cooperation. A BGI correspondent, Inga Dadiani, writes about the contents of the document.

The document provides for cooperation on an equal basis between Lithuania and Georgia. The two sides adhere to the principles of respecting each other's sovereignty and independence, inviolability of borders, territorial integrity, noninterference in each other's affairs, the refusal to use force and threats and settling arguments by peaceful means. The two sides consider the above principles as necessary and significant for keeping peace and stability.

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Lithuania and Georgia are undertaking to strengthen peace, mutual understanding, and security in Europe. The two sides will attach great attention to the settlement of conflicts. Georgia and Lithuania view NATO as a guarantor for security and stability in Europe and the world in general.

The two sides will support all forms of trade and the participation of small and medium-size businesses in trade. Lithuania and Georgia will also exchange economic and financial information.

The two sides view the development of transport connection between each other as the stimulus for developing economic cooperation. The key field of cooperation is that of combating organized crime, narcobusiness, corruption, and the illegal immigration.

Georgia and Lithuania consider it necessary to cooperate in the field of the environment and note the significance of developing tourism and cooperation in the field of exchanging information that cover the lives of the two countries.

Georgia: Presidential Spokesman Criticizes Russian Delegation

LD1104162696 Moscow INTERFAX in English 1207 GMT 11 Apr 96

[FBIS Transcribed Text] TBILISI, April 11 (Interfax) — Georgian presidential press secretary Vakhtang Abashidze has criticized the recent trip to Abkhazia made by a Russian Duma delegation led by Deputy Duma Chairman Sergey Baburin.

"There exist elementary rules of state ethics, and Georgia's leadership and parliament should have been notified of the trip," he told a briefing in Tbilisi Thursday.

"To have an unbiased picture of the situation in Abkhazia, the Russian deputies could have included in their agenda a visit to the neighboring Zugdidi district of Georgia, where tens of thousands of refugees are staying in the most difficult conditions," Abashidze said.

At the same time, he noted that, in general, the Russian deputies' visit to Abkhazia "can be only welcomed."

The Duma delegation, which includes representatives of all parliamentary factions, had arrived in Sukhumi Tuesday.

Georgia: Russian Border Official Says Cooperation 'Highly Effective'

AU1104140696 Tbilisi SVOBODNAYA GRUZIYA in Russian 2 Apr 96 pp 1, 4

[Interview with Major General Vladimir Ivanovich Vozzhayev, commander of the "Gruziya" military group of the Russian Federation border troops, by Aleksandr Tarkhnishvili; place and date not given: "Our Interaction Is Highly Effective"]

[FBIS Translated Text] Dossier: He was born on 7 January 1950. He graduated with distinction from the Higher Border Command School in Almaty. He began his service in Murmansk Oblast as deputy commander of the border troops detachment. He has served in Sakhalin, the Far East, and Afghanistan. He graduated from the Frunze Military Academy with a gold medal.

He has been serving in Georgia since December 1994. He is married, with one daughter of school age.

[Tarkhnishvili] As is known, Georgia is a member of the CIS, which naturally imposes certain rights and duties upon it. What are the relations between your department and the Georgian border troops, and yourself and General Valeriy Chkheidze, commander of the Georgian border troops, and how are the functions distributed?

[Vozzhayev] According to the Agreement on the Status and Functions of the Russian Federation Border Troops Located on the Territory of the Republic of Georgia of 3 February 1994, the Russian Federation border troops protect the state border with Turkey, that is to say, where the former border of the USSR used to run. The Georgian border troops, who began to be formed in 1992, were given the task of protecting Georgia's state border with Armenia, Azerbaijan, and Russia. There are thus no disagreements between us and Gen. Chkheidze, chairman of the State Border Protection Department, as each has his own area to look after. Of course, this does not mean that we do not interact or help one another.

I believe that our interaction, which is based on the clear delimitation of each other's functions, is highly effective. Russian border troops are assisting in forming Georgia's border troops, training cadres, organizing the protection of the state border in individual areas, and providing materials and equipment to the greatest possible degree. We hold joint headquarters training exercises particularly with regard to covering such areas as the Russian-Georgian border in the direction of Chechnya. In connection with the development of events in Chechnya, mutual support groups have been posted, with a number of border troops subunits to assist in organizing the protection of the border with the aim of preventing infiltration by fighters and the smuggling in and out of weapons, ammunition, and narcotics.

[Tarkhnishvili] Proceeding from the "rules" of the CIS, what are the prospects for cooperation between Russian and Georgian border troops, and has this cooperation not yet been directed against some third side?

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[Vozzhayev] I have already mentioned the basic forms of cooperation between the border troops of the Russian Federation and those of the Republic of Georgia. In this context, the most significant direction is the training of cadres for Georgia's border troops. This year a certain number of officers and cadets will begin their training in military educational institutions of the Russian Federal Border Service (academies and military institutes). As of March, we have begun to put more than 15 officer cadets on quick training courses, and after five and a half months they will come out as young officers. Furthermore, a large number of officers have been sent on a tour of duty to acquire experience with a number of border troops subunits and detachments. One of the promising methods of cooperation is the exchange of information and joint training of personnel and command and control agencies.

All these issues that I have already mentioned have been reflected in the jointly signed agreements of the Council of the Commanders of CIS Border Troops. This collective body has been functioning for more than three years now, and is one of the few CIS bodies that represent a model in questions of integration for all remaining CIS bodies. It is written in the agreement on the status of the functioning of CIS border troops that we are protecting the state border with Turkey and, therefore, our activities cannot be directed against a third side. As regards the technical side, the creation of border "services" is an extremely complex and costly matter. It costs 2 billion rubles to install equipment along one kilometer of the state border. There was a time when we were actively engaged in dismantling Georgia's state border with Turkey, against our will. Then, later, the Georgian Government, realizing the necessity of preserving this border, signed the corresponding agreement with the Government of the Russian Federation. Today the state border between Georgia and Turkey has been fully restored, and technical sea observation posts are also functioning. The financial expense for maintaining the border has been divided by the sides according to a 60:40 ratio.

[Tarkhnishvili] How do you view the role of the Russian border troops located in Georgia in the Abkhazian conflict?

[Vozzhayev] Part of the border troops belonging to the "Gruziya" military unit are in the territory of Abkhazia, where we also carry out tasks in protecting the sea border. We do not interfere in the internal affairs of the conflicting sides, and I believe that our role was shown with particular clarity during the period of the armed conflict, when border troops subunits and technical observation posts continued to protect the state border both on the territory where the Abkhazians were situated and the territory where the Georgian Army was located. I do not see any other role for the border troops other than the protection of the border.

[Tarkhnishvili] The latest edition of ARGUMENTI I FAKTI (No. 10, March 1996), carries an article by A. Kondrashov entitled "It's the 'Dead Season' in Abkhazia," in which it is mentioned that Abkhazia has become the rear area of Chechen resistance, that 450 Chechen fighters are relaxing at Kirilenko's former dacha, that explosives and military equipment are being shipped from Turkey to Abkhazia and then transported to Chechnya, and so forth. What do you think about this?

[Vozzhayev] Not a single "fact" mentioned in the article corresponds to reality. The same opinion is held by [Gen. Vasiliy] Yakushev, commander of the [peacekeeping] forces in the zone of the Georgian-Abkhazian conflict.

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